Daily Report

Latin America

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FBIS-LAT-94-132 *11 July 1994*

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Caricom Summit Meets, Discusses Haitian Refugees

Jamaican Minister on U.S. Haitian Plans

FL0807143394 Kingston RJR Network in English 1200 GMT 8 Jul 94

[Text] Foreign Affairs Minister Dr. Paul Robertson says Jamaica and other Caribbean nations are examining very carefully the United States new policy on safe havens for Haitian refugees. Dr. Robertson says [words indistinct] the United Nations High Commission for Refugees, UNHCR.

[Begin Robertson recording] We here are very concerned about the deteriorating situation in Haiti, the fact that the refugee [words indistinct] that Haitians are fleeing. The United States has signalled a new policy in regard to safe havens, and we are looking at it. We have a memorandum of understanding with them, and we are in consultation with them, as well as the UNHCR, to see where we go from here. [end recording]

Caricom Summit Ends With Accord

FL0907125894 Bridgetown Caribbean Broadcasting Union Television in English 2200 GMT 8 Jul 94

[From the "Final Edition" of the "Summit '94" program hosted by Francine Alexander]

[Text] The 15th Caricom [Caribbean Community] summit came to a close yesterday [7 July], and Caricom leaders have come to agreement on a number of issues. The final communique of the 15th Caricom summit was issued at about 2030 last night, after what conference chairman Prime Minister Erskine Sandiford of Barbados described as the longest session of the conference. Nicole Huggins has been looking at the final conference document and has this report:

[Begin recording] [Huggins] There's the feeling that much was achieved at this conference. There was the signing of the double taxation treaty, the ratification of the Association of Caribbean Community Parliamentarians, and agreement on the multilateral air services agreement. According to summit chairman Barbadian Prime Minister Erskine Sandiford, Caricom's number could be increased by one next year. He announced that Suriname's application for membership will be processed through the Bureau of Caricom, and will come before the intersessional meeting of the heads scheduled for February next year.

A second tourism conference is to be held in Barbados, perhaps around May 1995, and the heads have decided on the next recipients of the Order of the Caribbean Community.

The thorny issue of LIAT [Leeward Island Air Transport] was finally decided upon, and the heads agreed to place the restructuring of the airline in the hands of the Governments of Antigua and Barbuda and Trinidad and Tobago. If all goes well, the formalities should be finished by August. The heads have agreed that all the shareholders will remain responsible for the existing debts of the airline, while the two governments appointed to oversee the restructuring will assume responsibility for all new liabilities incurred between August 1, 1994, and the end of March 1995.

The heads also agreed to support Trinidad and Tobago as the Caricom candidate for the site of the Secretariat of the Association of Caribbean States [ACS]. Despite rumors of a diplomatic battle waged over the decision, the heads maintained that the matter was settled in a democratic fashion.

[Sandiford] The final, what you said?...

[Unidentified speaker] Cut in.

[Sandiford] ...reason, was that the—in our democratic fashion—that the view was that it should be Trinidad, without decrying or any other country, we express a preference for Trinidad and Tobago.

[Huggins] On the issue of the North American Free Trade Association, the heads agreed that they would approach the question of accession as a group, while recognizing that individual member states may need different provisions and timetables to accomodate their particular interests.

The heads agreed that Caricom should work toward securing an arrangement which would provide for trade, investment flows, debt relief, financial assistance in the areas of diversification and retraining of personnel, and short-term employment opportunities, especially for the heavily indebted countries and the LDC's [lesser developed countries].

But while it seems decisions have been taken on a number of extenal issues, the heads acknowledge that they need to speed up action on seminal issues pertaining to the creation of a single market and economy. There seems to have been little headway on matters such as easier travel in the region, the creation of a common currency, and the free movement of skills throughout the region.

Nicole Huggins reporting for Summit '94. [end recording]

Handling of Haitian Issue Viewed

FL0907160394 Bridgetown Caribbean Broadcasting Union Television in English 2200 GMT 8 Jul 94

[Panel discussion with moderator Sharon Marshall, Ricky Singh of the CARIBBEAN NEWS AGENCY and THE NATION, Peter Thorne of Barbados Rediffusion, Debra John of THE EXPRESS from Trinidad and Tobagao, and Hugh Crosskill of the BBC Caribbean Service; from the "final edition" of the "Summit '94" program hosted by Francine Alexander]

[Excerpts] [Marshall] After four days of deliberation here in Barbados, Caricom [Caribbean Community] leaders have ended their summit. The BARBADOS ADVOCATE today proclaims the summit a success, but some members of the media who have been covering the summit are here to give their own assessment of the summit. [passage omitted]

[Crosskill] I think perhaps what the summit might have lacked in dynamism it made up for in decision making. I think it's fair to say that maybe more decisions, decisions that are likely to be implemented, were made at this summit. A lack of dynamism in that no really big issues, overriding perhaps the main one of Haiti, not too much tension, not too much access, really, to heads of government outside of the briefings, but you get the feeling that they have moved the process along to some degree, and I think the decision with regard to the ACS [Association of Caribbean States] is the paramount one. [passage omitted]

[John] No, after all I tend to agree because what Caricom has succeeded in doing is making itself felt, or making itself seen as a force to be reckoned with; for example, the Americans have not ignored the Caricom opinion in their approaches on Haiti. And they have made it very clear that whatever they do must be in accordance with how Caricom thinks. You know they want our opinion so, I don't think that would have happened before; they would have just gone ahead, you know, gone into Haiti, done whatever. [passage omitted]

[Marshall] We mentioned Haiti very briefly; that that was one of the major topics and a special part of the communique. Do you think it's a subject that was dealt with adequately during the conference in terms of what (?could be expected as the outcome)?

[Singh] No, I think that they continue to vacillate over Haiti for a simple reason: That there is no unanimity within Caricom—other than the fact that we are not taking Haitian refugees—about how to respond to Haiti. And the fragmentation, the bartering process going on between Jamaica, Dominica, Antigua, Turks and Caicos under British tuition—maybe that's a bad word—but nevertheless the fact is that they are a colony so therefore they have to do it in cooperation; Panama—and now Panama has said no and then it may say yes again—but the point is that the only clear policy on Cuba [corrects himself] on Haiti, as far as I understand it, and I stand to be corrected, is that we are not going to accept Haitian asylum seekers. We are going to process them, whether Jamaica or Turks and Caicos, we are going to grant them safe haven, whether it is Antigua, for a price. It sounds bad when you put it that way, but that's how it is.

And, I want to end by saying the whole question may fuel intervention and criticism; they have been consistent also in the broader picture, that is restoration of constitutional government and democracy under President Aristide. They have been consistent, and I admire them for that. They have also said more recently that they are quite prepared to be part of a multinational force under the auspices of ... [pauses] but, even in the Community, in the separate statement, there's a lot of big, a lot of gray areas.

[Marshall] Debra, you have the last word.

[John] I can't agree, Ricky, I think what the leaders have agreed to now is good and commendable, and so I think it is a great pity that Caricom really does, whenever able to take a firm stand on their own, have to be prompted. You know, and I think that is a telling indictment on the state of how we really handle our affairs.

[Marshall] Thank you ladies and gentlemen, unfortunately we are out of time.

Cuba

Lazo, Garcia Removed From Provincial PCC Posts

FL0907152594 Havana Radio Reloj Network in Spanish 1400 GMT 9 Jul 94

[Text] The Communist Party of Cuba [PCC] Provincial Committee in Santiago de Cuba has approved the PCC Politburo's proposal to release Comrade Esteban Lazo Hernandez from the post of first party secretary in that province. The work carried out by Comrade Lazo for the territory and its people during eights years as provincial first secretary was recognized by the plenum and he will be assigned other responsibilities.

The plenum also elected Comrade Juan Carlos Robinson Agramonte as first secretary of the PCC Province Committee in Santiago de Cuba. The party leadership in Guantanamo Province had previously released him from his responsibilities in the territory. Comrade Robinson Agramonte's work and dynamism while in charge of the Guantanamo party leadership was recognized.

Comrade Rider Diaz Leyva, chairman of the National Assembly of the People's Government [ANPP] provincial assembly, was appointed to replace Comrade Robinson Agramonte as first secretary in Guantanamo Province. Comrade Diaz Leyva is an engineer, 45 years old, and has efficiently carried out the government post in Guantanamo Province.

Comrades Juan Carlos Robinson Agramonte and Esteban Lazo Hernandez will remain in their current party leadership posts until 23 July and 20 August, respectively. The PCC plenums in Santiago de Cuba and Guantanamo Provinces were chaired by Politburo members Juan Almeida Bosque and Jose Ramon Machado Ventura.

The provincial committee plenum in Holguin Province has approved the PCC Politburo's proposal to release Comrade Francisco Garcia Ferrer from the post of PCC first secretary in the province. The plenum recognized the efforts exerted by Comrade Garcia Ferrer to fulfill his responsibilities throughout five years, and he will be assigned other functions. He will remain in his post until 20 August.

Until now, Comrade Jorge Luis Sierra Cruz, first PCC secretary in Holguin Municipality, was elected first secretary in the same meeting. Comrade Sierra Cruz is a mechanical engineer, 33 years old, and he was a Federation of University Students and Union of Young Communists leader. The provincial committee plenum was chaired by Politburo members Juan Almeida Bosque and Jose Ramon Machado Ventura.

Almeida, Robinson on Changes

FL0907182294 Havana Radio Rebelde Network in Spanish 1700 GMT 9 Jul 94

[Report by Carlos Sanabria Marrero from Santiago de Cuba for the "National Radio News"]

[Text] Upon conclusion of the special plenum of the Communist Party of Cuba [PCC] provincial committee here in Santiago de Cuba, Commander of the Revolution Juan Almeida Bosque explained to National Radio News the Politburo's proposal for this movement of cadres.

[Begin Almeida recording] Well, this has not been a change; it has been a succession. Lazo was needed for a strategic task in the country and the cadre that we, the Politburo members, analyzed, due to his behavior in the masses, the way he is, the way he expresses himself, the way he acts, the way he treats individuals, the people, the masses, was the capable, ideal cadre for this province. I leave happy and I hope you will help him, as the revolutionary people of Santiago de Cuba have always helped the leaders appointed by the revolution upon agreement in the PCC directorate. [end recording]

The PCC Politburo's proposal was unanimously supported by the provincial committee members in Santiago de Cuba, as seen in the numerous statements issued in recognition of the work carried out by Comrade Esteban Lazo and the determination to continue united in the great responsibility of keeping the province in the vanguard of the revolution.

[Begin Cana recording] Giraldo Cana of Tercer Frente Municipality. The comrades have aptly said that we face a difficult situation but, where there is a unity of action in difficult times, when there is a mass leadership, we have no doubt we will overcome any type of obstacle. Lazo taught us that and, I repeat, I have no doubt that Comrade Juan Carlos Robinson Agramonte will continue to uphold those principles of leadership. [end recording]

Following his appointment as first secretary of the PCC Provincial Committee in Santiago de Cuba, Comrade Juan Carlos Robinson said in his first statement that he will work hard to earn the high honor bestowed on him by the Politburo.

[Begin Robinson recording] The truth is nothing new should occur. Instead, it is a matter of carrying out the complex and difficult task of giving continuity to the fruitful work carried out by Comrade Lazo throughout eight years of work as PCC leader in the province. Unity is an axiom, an essential factor, of these times because we intend to give continuity and come out well ahead in every territory, every organization, and, obviously, in the party. It is necessary to carry out all our tasks quickly. I know a lot about the values, honor, and pride of the people in Santiago de Cuba; and I also know about the tons of confidence needed to assume the responsibilities assigned to us in the provincial committee. I am sure that, if we do things correctly, we will come out well ahead and we will achieve the goals we have established. [end recording]

Villa Clara PCC Official Replaced

PA1007215394 Paris AFP in Spanish 1717 GMT 10 Jul 94

[Excerpt] Havana, 10 Jul (AFP)—The number of top provincial leaders of the Communist Party of Cuba (PCC) who have been replaced increased to four this weekend with the announcement, on 10 July, that the first secretary in the central province of Villa Clara will be replaced.

It was officially announced on 9 July that the first secretaries in Santiago de Cuba, Guantanamo, and Holguin had been "relieved" of their duties. According to observers, the four replacements are young and have university degrees.

It was also announced that in each case, the first secretaries who were replaced will be assigned other "duties," "tasks," or "responsibilities." In the case of Guantanamo, the announcement was immediately followed by the appointment of the outgoing first secretary as head of the PCC in the important province of Santiago de Cuba.

In central Villas Clara Province, First Secretary Tomas Cardenas was replaced after serving nine years in the post. He was replaced by Miguel Diaz-Canel Bermudez, 34, an electronic engineer. [passage omitted]

ANPP Summoned To Begin Sessions on 3 Aug

FL0907161094 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 6 Jul 94

[From the "NTV" newscast]

[Text] The third session of the fourth term of the National Assembly of the People's Government [ANPP] has been summoned for 3 August at 1000. The highest-level government organization's meeting will be held at the Palace of Conventions in our country's capital. This will be first period of sessions for this year, according to the summons issued by ANPP President Ricardo Alarcon de Quezada.

Council of Ministers Eliminates Free Services

FL0807172594 Havana Radio Rebelde Network in Spanish 1155 GMT 8 Jul 94

["Full text" of agreement by the Council of Ministers' Executive Council issued in Havana on 7 July; from the "Doing Radio" program]

[Text]**Agreement of the Council of Ministers' Executive Council on the Elimination of Gratuities.**

The National Assembly of the People's Government [ANPP] in its 2 May session agreed to request that the government adopt a series of decisions aimed at putting our internal finances on a sound basis. The reviewed measures include charging for products or services that are now offered free of charge to the population.

Interpreting the people's views, stated through the parliaments in the workplace, the measures modify no essential aspects of the social policy developed by the country, which shall maintain unalterable the principles of universality and freedom from fees of basic social services, such as education and public health.

For economic as well as educational reasons, however, and to achieve a better use of available resources and facilities by the population, it is advisable to gradually establish fees for certain products and complementary services that are currently offered free of charge.

Based on the evaluations carried out, the Council of Ministers' Executive Council has decided to adopt the following agreement:

Referring to the educational sector, effective with the 1994-95 school year, there will be a charge for the lunch offered to day school students registered at the country's preschool, elementary, and high school centers, 7 pesos a month for each student. Nevertheless, social assistance may cooperate with low-income families which cannot pay for this service.

A 20-peso fee will be charged per month for students who register for language courses throughout the country and who are not part of the regular educational system or the training programs being implemented by various state agencies.

The current system of stipends for new, higher education students will be replaced by reimbursable loans to those who require them. The loans are reimbursable—through prearranged monthly payments—once the student graduates and starts earning a living. Payment of the amount owed will be forgiven when students graduate with an overall grade point average of 5; and a 50-percent discount bonus will be given to students who maintain a grade point average of more than 4.5 throughout their career.

Students who abandon their studies, barring exceptions that will be established later on, must reimburse the accumulated amount of the loan they received. Agreements may be reached for such payment in installments.

As soon as there is a sufficient supply, the commercial store chain will sell uniforms to high school students who attend boarding school, implementing the distribution and pricing systems currently being used for high school students who attend day school.

Referring to the public health sector, effective 1 August 1994, Neovitamin 2 vitamin complex tablets will be sold for 5 cents each, to cover complementary expenses incurred in their production and distribution.

Referring to the culture and sports sectors, effective 1 August 1994, a general entrance fee will be implemented for museums, events, shows, and exhibitions which are featured at the cultural centers, community centers, and art galleries, as well as shows offered in facilities or areas equipped for this purpose. No admission fee will be

charged for education events, or events that are organized at cultural or community centers as part of the culture and art education programs.

Children under 12 years of age who are accompanied by adults will have free access to museums and art galleries. Likewise, students and researchers will have free access to those facilities when their visit involves research for a thesis, treatise, or similar cases.

A fee will be charged for services rendered in bodybuilding, gymnastics, musical gymnastics, aerobics, and martial arts centers, provided they are not part of the country's competitive system or general education program.

A monthly registration fee will be charged per participant during school vacation, when regular recreation and sports activities are organized for children and teenagers so they may use the sports facilities and areas which have trained personnel.

Admittance to sports events held, starting on 1 August 1994, at stadiums and sports halls which have the facilities for this will be charged according to a minimum three-peso fee for box seats, two pesos for special seats, one peso for access to the covered stands, and 50 cents for access to the bleachers.

The National Sports, Physical Education, and Recreation Institute [INDER] will create, in combination with provincial administration councils, the necessary conditions to collect and control those funds.

The Ministry of Finance and Prices, following consultations with the Ministry of Culture, INDER, and provincial administration councils, will establish the prices and fees to be implemented in connection with activities and services in the culture, sports, physical education, and recreation sectors that are not specifically established through this agreement.

The ministers of finance and prices, education, higher education, public health, and culture, and the presidents of the INDER and the provincial administration councils, will issue the provisions and give the instructions that are necessary for a better compliance with what is established in this agreement.

The joint implementation of these measures must result in a reduction in state expenses, allowing a reduction in the budget deficit, and reducing monetary liquidity, aside from its positive effects concerning social discipline and the correct evaluation of certain services, which are rendered to the population and which the state cannot continue to pay for in their entirety.

Issued in Havana on 7 July 1994.

Justice Official Explains Penalty for Tax Evasion

FL1007195094 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 6 Jul 94

[Interview with Dr. Raul Barrios, Justice Ministry specialist, by correspondent Maribel Puerto; date and place not given; first paragraph announcer-read introduction; from the "NTV" newscast—recorded]

[Text] Crimes against public finances is the new entry to the modified penal code, defined in Chapter One as the crime of tax evasion. Dr. Raul Barrios, a Justice Minisry specialist, explains in general terms what the crime entails:

[Barrios] Sanctions against anyone who evades or tries to evade, which is the same thing, payment of taxes, utility fees, or any type of state revenue. You are guilty of this crime if, once all the administrative options have been exhausted, you fail to fulfill your obligations by paying taxes, utility fees, or any other types of revenue to the government.

[Puerto] What is an administrative option?

[Barrios] An administrative option is any norm which regulates the taxes, meaning, any fiscal norm, and establishes procedures so the public administration sector demands that the person pay these taxes. Mechanisms are established so that if the person does not pay these taxes, the proper action can be taken so the person pays them. In the penal code, this means that once that option is exhausted—meaning all the procedures established by the norm have been carried out to guarantee that the taxes are paid—and it fails to achieve results, the person's conduct might be considered a crime.

[Puerto] Is imprisonment the penalty for commiting this crime?

[Barrios] It would be imprisonment and/or a fine. It all depends on the dangerous nature of the person's conduct and conditions surrounding his situation.

Supreme Court Vice President on Penal Modifications

FL0907023094 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 5 Jul 94

[Interview with Dr. Graciela Prieto, vice president of the People's Supreme Court, by correspondent Maribel Puerto; date and place not given; from the "NTV" newscast—recorded]

[Text] The penal code and the law of penal procedures were modified to expedite justice in efforts to confront criminal acts and guarantee public peace. Although the penal code allows for a maximum sentence of 20 years, the modifications allow the court to extend this to 30 years. Graciela Prieto, vice president of the Peoples Supreme Court, discussed cases when this could be applied:

[Prieto] Law No. 62 of the penal code establishes that a sentence can be extended in the case of someone who has been sentenced to death, as well as imprisonment, or in the case of a prisoner committing a new crime. The sentence could be extended to 30 years in both cases. With the modifications, a sentence can now be extended if someone is a repeat offender, or commits multiple crimes, or if extraordinary circumstances are considered to have a bearing on the sentence.

[Puerto] Dr. Prieto, how would you define repeat offender and multiple offender?

[Prieto] A repeat offender is someone who has already been sentenced for a crime who commits the same crime. The multiple offender, as the term suggests, is someone who commits various different crimes.

[Puerto] How would would extraordinary circumstances be considered to have a bearing on the sentence?

[Prieto] The penal code establishes a number of circumstances, which are evaluated by the court. Committing the crime at night or breaking and entering might be examples. The court can sentence according to the extraordinary circumstances, and in cases where there is one or more aggravating circumstance, they may increase the maximum sentence established for the crime by half.

Matanzas Announces Energy Rationing Measures

FL0807185194 Havana Radio Rebelde Network in Spanish 0900 GMT 7 Jul 94

[Report by Manolo Garcia from Matanzas Province for the "Doing Radio" program]

[Text] The Matanzas Province energy plant has scheduled eight-hour outages per circuit this week due to the electricity shortage, which is currently at 41 percent of capacity. This means only 1,325 megawatts will be available due to damage in different units throughout the country; this has resulted in a reduction of almost 900 megawatts—700 megawatts due to maintenance work and about 160 megawatts due to a fuel shortage.

The deficit is expected to be approximately 500 megawatts during peak hours, so it will be necessary to ration electricity to certain agencies and sectors of the population. The territory's daily consumption is approximately 2,900 megawatts.

Referring to August, authorities in this sector have confirmed the country will reduce its energy generation and adopt a series of measures to ration consumption in the state sector, with the intention of maintaining a daily production level of 2,800 megawatts during this month and the next.

Castro on Signing Nonproliferation Treaty

PA1107032894 Hamburg DPA in Spanish 0209 GMT 11 Jul 94

[Text] Rio de Janeiro, 10 Jul (DPA)—Cuban President Fidel Castro has said his country is "more inclined" to sign the Tlatelolco Treaty on Nonproliferation of Nuclear Weapons as a gesture "toward Latin America."

In an interview with television station TV Globo aired on Sunday evening (local time) in Brazil, Castro said Cuba's refusal to sign that treaty traditionally stemmed from a moral position, particularly the proximity of the United States. He added there is a different situation now, given that Brazil and Argentina have already adhered to the Treaty.

Brazilian Foreign Minister Celso Amorim has suggested Cuba sign the nuclear arms nonproliferation agreement. Amorim ended an official visit to Havana today.

This year, Brazil launched a diplomatic effort to try to incorporate Cuba into the Inter-American System and adherence to the Treaty is considered an important step in this direction, five months before the Summit of the Americas, to which Fidel Castro was not invited, is held.

In the interview with TV Globo, Castro affirmed a possible Cuban adherence to the Treaty would be a gesture toward Latin America, not the United States.

According to reporter Paulo Henrique Amorim, who translated the statements the Cuban president made, Castro said "the United States does not deserve this gesture because they treat us with hostility."

Castro also allowed the television crew to film him at the Brazilian Embassy in Havana while watching the World Cup Brazil-Holland soccer match. He appeared seated on a chair next to Foreign Minister Amorim.

Castro concluded at the end of the game that if he had international credit, he would hire "all" the players of the Brazilian team, which is preparing to participate in the World Cup soccer semifinals.

Robaina Meets Press on May 'Conspiracy,' Haiti

FL0907015594 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 9 Jul 94

[From the "NTV" newscast]

[Text] Cuban Foreign Minister Roberto Robaina has met domestic and foreign correspondents on domestic and international issues. Robaina tacitly denied foreign press reports on an alleged conspiracy organized by Cuban soldiers to occupy Guantanamo City. He said the incident that took place in that city in May involved civilians only and not soldiers from the Revolutionary Armed Forces [FAR] Ministry or the Interior Ministry:

[Begin Robaina recording] The only thing those civilians were able to do in carrying out their fantastic plan was

purchase 10 military uniforms from a civilian employee of the FAR. This was the only thing involving the military in that infamous conspiracy of which so many have spoken: A civilian employee of the FAR sold 10 uniforms of five ranks. It seems that they got carried away. The mission was detected and, we could say, aborted when those civilians tried to purchase eight rifles from two of our soldiers. The whole thing has been stopped. It is a shame that there is so much interest today in something that happened two months ago. They began to explain their plans during (?questioning) and may have said there was a conspiracy [words indistinct]. [end recording]

Discussing Cuba's position on Haiti, he reiterated that Cuba rejects a solution involving military intervention to solve the difficult situation that this Caribbean country currently faces:

[Begin Robaina recording] The truth is that Haiti is a moving issue for Cuba, as well as for the rest of the region. I and my country insist that neither blockade nor military intervention is the answer to these types of conflicts. Negotiations could have been initiated much sooner if they had wanted to advance through negotiations. Negotiations must be considered before a military intervention or blockade, like those that have been and will be imposed on Haiti. [end recording]

300 Haitian Refugees Arrive Within 48 Hours

FL0907182894 Havana Radio Rebelde Network in Spanish 1700 GMT 9 Jul 94

[Report by Jose Yanez from Guantanamo Province for the "National Radio News"]

[Text] Sixty-six Haitians have arrived in Cuba through the southern coast of Guantanamo Province. Over 300 immigrants from the small Caribbean island have arrived in our country within the last 48 hours aboard fragile boats.

The Haitians are now at the International Refugee Camp located in Punta de Maisi where they receive food and medical attention, among other things, while they await for their repatriation.

Government representatives in Guantanamo and the Cuban Red Cross have visited the camp where more than 300 Haitian immigrants are lodged; and the visit of UNHCR and International Red Cross officials is expected shortly.

The group, which is now receiving assistance from the Cuban Red Cross, includes 46 women, many of them pregnant, 14 children, and 245 men. The refugees arrived in four frail boats through the coastal areas of Imias, Boca de Jauco, and Boca de Mata—the latter is in Baracoa Municipality.

The exodus of Haitian citizens has increased given the insistent rumors about an imminent U.S. military invasion.

Fidel Castro's Message on DPRK Leader's Death

FL1107020294 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 11 Jul 94

[From the "NTV" newscast]

[Text] President Fidel Castro has written Kim Chong-il on the death of Kim Il-song, North Korean president and Workers Party of Korea general secretary.

Fidel Castro's letter states: Those of us who have followed the North Korean people's heroic struggle over the last 50 years have witnessed the extraordinary role that Comrade Kim Il-song played with his clear mind, his firm decisions, his faithfulness to principles, and his valor in the fight against Japanese colonialism and U.S. aggression.

Fidel Castro referred to Kim Il-song as an avid defender of nonalignment, all just causes, the battle for liberty, peace and well-being [words indistinct] as well as for his contribution to the world's socialist concepts and his efforts to reunify and normalize the situation on the Korean peninsula.

Fidel Castro points out: I have pleasant memories of our meeting. I will never forget the admiration and respect that Kim Il-song felt for our Revolution and our people.

The letter points out that Kim Il-song's legacy is not only motivation but also an historic debt owed to the North Korean people for their struggles and their hopes of peace, unity, and progress of which we are sure they will not be deprived.

Fidel Castro's letter concludes: Dear Comrade Kim Chong-il, Cuba will continue to be faithful to the brotherhood between our people, forged in the struggle against imperialism, and will continue defending the conquests of socialism with the beloved North Korean people.

Foreign Ministry Confirms 2 Leave German Embassy

FL0907020094 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 9 Jul 94

[From the "NTV" newscast]

[Text] Miguel Alfonso, a Cuban Foreign Ministry spokesman, told the media today that two of the 21 citizens who forcefully entered the German Embassy in Havana several weeks ago left that diplomatic mission today.

Second Occupant Leaves Embassy

PA0907013894 Havana Radio Havana Cuba in Spanish 0000 GMT 9 Jul 94

[Text] It was learned in Havana that another one of the illegal occupants of the German Embassy in Havana has voluntarily left the mission. This is the second person to leave the German Embassy in less than 24 hours. Less than a month ago 21 persons forcefully entered the embassy by driving a truck through the gate of the embassy garage. Cuba has repeatedly said that it will not allow this practice as a way to leave the country.

Ministry Spokesman on Robaina's Upcoming Tours

PA1107044394 Havana Radio Havana Cuba in Spanish 0000 GMT 8 Jul 94

[Report by Barbara Bethancourt from the "Evening Information Review" newscast]

[Text] During his most recent meeting with the press, Cuban Foreign Ministry spokesman Miguel Alfonso talked about the upcoming visits Foreign Minister Roberto Robaina will make during the next few weeks and months. Robaina will attend shortly the conference in which the Association of Caribbean States will be officially formed:

[Begin Alfonso recording] After Robaina attends the important event that will be held on 6 August in Bogota [as heard], he will attend a foreign ministers summit where he will encourage mechanisms that will give continuity to the Ibero-American summits. It was decided during the Fourth Summit that these meetings should be held as a means to strengthen the idea reached during the summit to accelerate the integration and cooperation movement [words indistinct]. It is possible [words indistinct] will result from this meeting [words indistinct].

The Cuban foreign minister will tour four South American countries between 31 August and 3 September. He is going to visit Bolivia, Brazil, Chile, and Venezuela, but not necessarily in that order. I just mentioned them in alphabetical order, but it does not mean Comrade Robaina will follow that order during his tour. This will be an official visit [words indistinct].

Foreign Minister Roberto Robaina will make an official visit to Spain on 8 and 9 September. I repeat: He will be there for two days, 8 and 9 September.

I mentioned during a previous interview the foreign minister may travel to Canada; this trip could happen on the occasion of the foreign minister's visit to the UN General Assembly in late September or early October.

We have received information here in Havana that there are other countries, among Ecuador and (?Peru), for the foreign minister to visit. I repeat, however, this is still pending [words indistinct] Cuban side and the other countries. We have these working visits pending [words indistinct] that you may have an idea what is being done. [end recording]

The Foreign Ministry spokesman also talked about the hemispheric summit summoned by U.S. President William Clinton to be held in Miami in December.

[Begin Alfonso recording] As you know, Cuba does not object to the summit. We believe it would be a good occasion for the Latin American countries to directly tell the United States the hopes, needs, priorities, and interests of the region and what it is they expect from future bilateral and regional relations. I believe it would be positive if the meeting is held. I also wish, however, to [words indistinct] unilateral and blundering manner in which the summons to the meeting was made, the agenda was drafted, and the site of the meeting was established; this makes us believe it could all be a propaganda show that would serve to [words indistinct]. The fact that Cuba has been excluded from the meeting is unheard of and [word indistinct] but what can you expect? Nothing surprises us about them.

I do not believe the opinion I am expressing is mine alone. I have seen that [words indistinct] traditionally defended the idea of free exchange of ideas are trying to have Cuba's voice heard and that the U.S. [words indistinct] they know and everyone knows Cuba does not hold back [words indistinct]. I repeat: It is important to underscore [words indistinct] free flow of ideas and opinions. [end recording]

Alfonso also said the Washington government has exerted strong pressures to keep Cuba from joining the Association of Caribbean States.

Spanish Minister Praises Castro, Departs

FL1107001894 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 7 Jul 94

[From the "NTV" newscast]

[Text] Spanish Foreign Minister Maria del Carmen Alborch Bataller has returned to Spain after four days of intense work. Alborch told the press just before leaving about her meeting with Commander in Chief Fidel Castro and Nobel Prize winner Gabriel Garcia Marquez, which ended early this morning. Alborch said the conversation covered many topics and described Fidel as communicative and brilliant. Alborch highlighted the protocol of intentions signed by Culture Minister Armando Hart, as well as the many cultural cooperation possibilities between Cuba and Spain:

[Begin Alborch recording] I would like to send a very clear message: This has been a very positive trip. Our agenda was packed: We met many people and visited many institutions. The news on Cuban and Spanish culture and on bilateral relations is very good following this visit. I stress that I return to Spain very happy—very

tired, as well, but very happy—over this decisive and important moment, which increases intercultural contact. [end recording]

A few hours earlier, Foreign Minister Roberto Robaina told Alborch that she could count on the Foreign Ministry's support on the Spanish Cultural Center project, as this would be a permanent vehicle of exchange between Cubans and Spaniards.

Alborch visited the House of the Americas and met Roberto Fernandez Retamar in the morning. Fernandez informed Alborch that the House of the Americas may receive the 1995 Principe de Asturias award for cooperation. Alborch toured the House and examined the Latin American art collection. Alborch met poet Dulce Maria Loinaz, winner of the 1992 Cervantes award, and prima ballerina Alicia Alonso.

Colombian Trade Minister Sign Agreements

FL0907111294 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 9 Jul 94

[From the "NTV" newscast]

[Text] Colombian Foreign Trade Minister Juan Manuel Santos, who arrived from Bogota recently on a two-day visit, and Cuban Foreign Trade Minister Ricardo Cabrisas signed several important agreements today. Trade between Cuba and Colombia has increased 20 times—approximately $20 million so far this year—since the two nations reestablished relations at the end of 1993. The agreements benefit thousands of products on both sides with regards to sanitary and tariff regulations, as well as the mutual protection of investments:

[Begin Santos recording] The agreement expands the number of preferential products on both sides. We hope it will hold the same importance as the 1988 agreement. Furthermore, this agreement considers other disciplines: investments, service, prices. It is a bit more extensive than agreements within the Latin American Integration Association framework. [end recording]

The Colombian minister also held a news conference at the international press center. Colombia gives great importance to economic integration, above all with the Caribbean:

[Begin Santos recording] This government and President Gaviria's government have given special importance to relations with all Caribbean nations. On the day the association is created in Cartagena, we will also sign free trade agreements with Caricom. [end recording]

The Association of Caribbean States will be established in Cartagena de Indias on 25 July and will incorporate a wide variety of socioeconomic systems, with 25 sovereign nations and 12 colonial territories as members. It will be the fourth largest integrated group in the world, integrating more than 200 million people.

Government, Mexico Negotiate Oil Refining Enterprise

PA1107030794 Hamburg DPA in Spanish 1859 GMT 7 Jul 94

[Text] Havana, 7 Jul (DPA)—Cuba and Mexico are negotiating the establishment of a mixed enterprise to refine petroleum, Sergio Mora revealed today. Mora is general manager of the Cienfuegos Refinery, located approximately 300 km southeast of Havana.

"Given the small amount of hydrocarbons being processed due to the adverse economic situation, several oil refineries have suspended operations or are being underutilized, and, therefore, there is a large processing capability," Mora said.

The government official told the press the "Camilo Cienfuegos" Plant, in the third largest city in the country, is one of four in Cuba with a greater potential for forming a partnership or launching a joint venture.

After saying that facility, which is capable of processing 63,000 barrels of petroleum daily, is officially listed as "closed," Mora said talks are being held with various firms and countries to define a possible business that will transform it into a mixed enterprise.

He added negotiations are underway between Cuba's "Cupet" and Mexico's "Mexpetrol," an affiliate of the state owned Mexican Petroleum (Pemex), for a virtual agreement contemplating the refining of not only Mexican crude oil but also oil the joint venture is able to purchase.

Mora also said negotiations are underway on the possible construction of a catalytic cracking [craqueo catalitico] plant and a vacuum tower, which would permit an increase in the refinery's profitability.

Mexican experts have visited the installation and economic and technical studies, even a feasibility study, have already been completed with positive results so far, concluded the general manager of the Cienfuegos Plant.

Dominica

Prime Minister Confirms Willingness To Receive Haitians

PA1107011694 Mexico City NOTIMEX in Spanish 2347 GMT 10 Jul 94

[Text] Roseau, 10 Jul (NOTIMEX)—The island of Dominica could receive up to 2,000 Haitians who are trying to flee their country due to the prevailing violence and food shortage in Haiti, official sources have announced.

Prime Minister Eugenia Charles has confirmed her willingness to accept the refugees after the United States lobbied to convince Caribbean countries to agree to create safe havens in their territories.

Charles has told the press U.S. and UN officials will visit the island in a few days to conclude the agreements that would allow the refugees to stay in that country up to one year.

She has denied her government's willingness stems from a U.S. offer of aid to the island. "I believe they (the United States) will show their gratitude in specific terms, but definitely no payment was made," she has said.

The U.S. Administration has been seeking places these past few days for the Haitians who are leaving their country, as the number of people attempting to flee on fragile rafts increases every day, and that is why it has consulted with Caribbean countries.

Haiti is experiencing a severe economic and security crisis resulting from almost three years of de facto regime, and the international embargo is forcing Raoul Cedras and the military to abandon power and allow the return of Jean-Bertrand Aristide.

Dominican Republic

AIDS Director Discusses Case Projections

94P20965

[Editorial Report] Santo Domingo EL NACIONAL in Spanish on 17 June, page 41, carries a 550-word report by Juan Bonilla on an AIDS awareness workshop in Santiago for members of the national media conducted by doctors from the Program for the Control of Sexually-Transmitted Diseases and AIDS (Procets). Procets director Dr. Maritza Arbaje acknowledged that the first eight years spent in the fight against AIDS in the Dominican Republic "had been lost," and warned that in 1995 from 100 to 125 Dominicans will die each month from AIDS if "sexual behavior does not change." Dr. Pedro Vargas, who also addressed the gathering, noted that 90 percent of all AIDS cases in the Dominican Republic are sexually transmitted. Arbaje indicated that the country currently is "in fifth place"—alongside Haiti—in reported AIDS cases, and that "many" of the country's health workers "do not report" AIDS-related statistics. She pointed out that there are "many interests at work in the country regarding AIDS"; there are those in the health profession who "live off" the disease and others who ignore it because it is "not profitable," she added. The report says that Arbaje called on the media to work with her office "to raise the public's awareness and hope regarding AIDS" through its education program and guidance.

Haiti

Radio Carries Report on U.S. Military Exercises

FL0807213494 Port-au-Prince Signal FM Radio in French 1030 GMT 8 Jul 94

[Text] The U.S. Army has conducted exercises at Eglin Air Force Base, in Florida, with nearly 2,000 Marines and the Navy carrying out mock raids on some of Haiti's strategic points. Pierre Cayrol, of Radio France International, reports:

[Begin Cayrol recording] The exercises are identical to those the U.S. Army conducted just before invading Panama in December 1989. They even included the famous 82d Airborne Division, which participated in the Panama landing. Although the Pentagon assures that this does not signal imminent military intervention in Haiti, the White House not ruling out the use of force against this country means that U.S. troops must still be ready and trained. The exercises took place about 15 days ago and included mock raids on Haiti's airports and ports. A 900-man battalion of [word indistinct] took off from Savannah, Georgia. After parachuting into Eglin Air Force Base, in Florida, they literally took the base as if it were Port-au-Prince airport. Meanwhile, navy commandos armed to the teeth landed in various ports of Florida the way they would in Haiti. THE NEW YORK TIMES reports that 20,000 soldiers, most of them from the Navy, will be used in the planned landing in Haiti.

Ministry Reaffirms Commitment to Foreigners' Safety

FL0807213594 Port-au-Prince Signal FM Radio in French 1030 GMT 8 Jul 94

[Text] The provisional government is determined to guarantee the protection of foreigners living in Haiti. The Information, Culture, and Coordination Ministry has issued a communique stating that the government wants the nation and the international community to know that Haiti is currently at deep peace and is not in open or avowed conflict with any nation. Stanley Schrager, U.S. Embassy spokesman in Haiti, has reported that four U.S. assault ships will arrive shortly to evacuate U.S. nationals if that becomes necessary. The government communique notes that all foreign nationals, including those of countries that are threatening us, move around freely and in complete safety on Haitian territory day and night. The government communique, dated 7 July 1994, warns that any threat to public peace and order will be dealt with severely in compliance with the Constitution and Haitian law. Attorney Emile Jonassaint's provisional government also says that it is determined to guarantee the safety of all Haitians and foreigners living on national territory, despite the embargo's harshness.

Refugee Confirms Police Harassment Prompts Return to Boats

FL0807215494 Port-au-Prince Signal FM Radio in French 1030 GMT 8 Jul 94

[Text] It looks like nothing can stop Haitians from migrating to Florida. Activities are intensifying in Leogane, despite the U.S. Government decision to close the door on Haitian refugees. Evens Lefebvre reports from Leogane:

[Begin recording, in Creole] [Lefebvre] Despite the latest U.S. Government decision—to repatriate all Haitians who try to enter Florida illegally—several young and not-so-young people continue to leave the country to escape the repression and economic and social problems that have prevailed since the 30 September 1991 coup. Two or three sailboats leave Leogane waters for Florida almost every day, despite big U.S. Government plans at sea to prevent Haitians from leaving the country. One young man told me that refugees pay as much as $300 for these trips, even though the trips are always aborted and the stowaways are returned to Port-au-Prince wharf on U.S. Coast Guard ships. One young man explains:

[Unidentified speaker] We cannot stay and face the problems we have been facing since the coup. There's always the fear that you will be arrested and beaten while you sleep in your own home and that the police will harass you.

[Lefebvre] How much money did you pay for this trip?

[Unidentified speaker] I paid $300 for this trip. Even if they repatriate me today, I will try again tomorrow (?because of) the country's political problems.

[Lefebvre] We should point out that military authorities stationed at the Leogane subdistrict barracks arrested six boat people in June after their boat ran aground at [name indistinct]. [end recording]

Center Seeks Help in Comforting Repatriated Refugees

FL0807224094 Port-au-Prince Radio Metropole in French 1045 GMT 8 Jul 94

[Report by correspondent Gulloto Francois; Dorfeuille's remarks recorded]

[Text] [Francois] Marlene Dorfeuille, head of the Permanent Center for Haitian Refugees [Centre Permanent des Repatries Haitiens]—the refugees are also known as repatriates since the Coast Guard returns them to Haiti—admitted today that she does not have all the means to help the Haitians. The only means she has are hope and advice, the hope that tomorrow will be better and advice not to take to the sea again in hopes for a better life. While Dorfeuille's idea of a better life includes Haitians no longer choosing to take to the sea and choosing to live in their own country, she admits that the current political situation does not favor this. Therefore, Dorfeuille calls on all nations that are friendly toward Haiti to work on behalf of world solidarity with those trying to save deprived people:

[Dorfeuille] If the Haitian crisis can be depicted with the image of small boats at sea [words indistinct] the country is almost in a storm. On behalf of world solidarity and of those who are suffering worldwide, I would like to tell every humane individual [words indistinct] let us work to save humanity, to save the country, to save the deprived people.

[Francois] Dorfeuille acknowledges that the U.S. Coast Guard is returning record numbers of Haitian refugees to Haiti. The Center is already counseling and providing moral support to more than 1,500 Haitians. The Center tries to convince people that even though most of them feel ashamed for having taken to the boats and ashamed of being called boat people, the ability and dignity of Christians finding life in God remain the same. Dorfeuille is always ready to try and answer the refugees' questions once they disembark from the Coast Guard ships:

[Dorfeuille] We are always there for those who return, with looks on our faces that we are ready to ease the pain. Some people hide their faces when they return because they are ashamed of having taken to the boats and of being called boat people. We try to be friendly, asking them about their experience, their problems, and their reasons for leaving. We ask them what they plan to do, because they do not know what to do. The chats boost their courage. Some answer in a rage and some in despair. Some are even bold enough to complain about how they were treated when explaining why they left. Speaking their minds helps us see with whom we are dealing. We try to help them materially and boost their courage.

[Francois] Dorfeuille says that Haitian refugees have learned one lesson: Since they will be repeatedly repatriated to Haiti, they must make their dreams come true in their own country.

The U.S. Coast Guard has intercepted more than 10,000 Haitians in 12 days; at least two boats carrying Haitian refugees have capsized within a two-week period. The U.S. Coast Guard will now send any Haitians caught at sea directly to other countries and not the United States. A U.S. Embassy spokesman in Port-au-Prince has said that those Haitians will return to Haiti when the crisis is over, when the Haitian military leave power. U.S. officials have said that only those Haitians who apply for political asylum at offices in Haiti will have a chance to enter the United States.

Bank Governor Meets Senate on Financial System 7 Jul

FL0807233594 Port-au-Prince Radio Metropole in French 1600 GMT 8 Jul 94

[Excerpts] Central Bank Governor Bonivert Claude was invited to the Senate on 7 July. Claude hoped to restock the financial system to avoid economic strangulation. Edner Jean reports:

[Jean] It was a battle of style and politics during talks on our dwindling liquid assets: Claude and the bank's administrative board and departmental managers relied on style, while the elected but contested 18 January senators—led by Bernard Sansaricq—relied on politics.

Claude pointed out that this has been a problem for about two years, indicating that it was only through

frugal management of the two previous trusts—worth 500 million [currency not specified] each—that the banking system is able to operate. He quickly added that once the Central Bank or any other bank can fill its coffers with trust money, a rush on all the banks will lead to the suspension of payments and, consequently, to a financial breakdown. In light of this imminent drama, the governor thinks it extremely dangerous for the survival of the country's financial system to depend on politics. Moreover, he noted that public trust is waning, that the practice of financial disintermediation [desintermediation] is increasing, that money issued by the Central Bank does not return to the banking system, and that Haitians have a distinct preference for liquid assets right now. Claude basically set off the Haitian financial system alarm, warning that an economic crash is inevitable if nothing is done in the coming days. The Central Bank official called on legislative reason to eliminate the cash ceiling. [passage omitted]

The answer from the office led by Bernard Sansaricq was political.

Dejean Belizaire replied: We are an independent power and will not accept being dictated to on what we should do.

Romel Manigat, the other elected but contested 18 January senator, added, and I quote: Here, in the Senate of the Republic, politics prevails over numbers.

Bonivert Claude's answer, quote: That is why the country is in such a state.

Senator Bernard Sansaricq's intervention revealed the nature of this quarrel of words: It was simply a small settling of accounts. [passage omitted]

While the Central Bank governor and the Senate led by Bernard Sansaricq resolve their difference, the liquid assets crisis continues. Certainly, no solution will be found before the meeting with the Association of Private Banks in Port-au-Prince at week's end.

Jamaica

Prime Minister on Haitian Situation, Safe Havens

FL0807145294 Kingston JBC Network in English 1130 GMT 8 Jul 94

[Text] The Government of Jamaica has begun negotiations with the authorities from the United States about the operations of the processing facilities, [words indistinct] Comfort and [words indistinct] memorandum of understanding. [Words indistinct] Prime Minister P. J. Patterson stated that the worsening situation in Haiti requires new approaches and measures in finding a solution.

Prime Minister Patterson also stated that Jamaica welcomed the decision of some Caricom [Caribbean Community] countries to offer a safe haven to a number of Haitian refugees. This decision demonstrates a shared responsibility in helping (?to alleviate) the suffering of the Haitian people [words indistinct].

Opposition Questions U.S. Commitment to Accord

FL0907011694 Kingston RJR Network in English 2300 GMT 8 Jul 94

[Excerpt] Questions have been raised as to whether the United States Government breached a memorandum of understanding reached with the Jamaican Government when it suspended the processing of Haitians on Tuesday [5 July]. The opposition Jamaica Labor Party wants to know what's going to happen to the more than (?200) Haitians now on board the hospital ship Comfort, (?and) the government is concerned on this position, saying it is not responsible for any actions taken by the U.S. Government after the signing of the understanding. Meanwhile, the U.S. Embassy in Jamaica says the United States Government has not breached agreement.

There was a heated debate in the Senate today about this matter when it was raised by opposition senators. Jericho Senator (Andre Harvey) questioned whether the United States Government backed its [word indistinct] in the processing of Haitians in [words indistinct] the Jamaican Government. [Words indistinct] Senator (Joseph Forbes) defended the government's position and said it is not responsible for the new position on Haitians by the United States Government. [passage omitted]

EZLN Calls National Democratic Convention 6-9 Aug

PA1007040794 Paris AFP in Spanish 0216 GMT 10 Jul 94

[Text] San Cristobal, Mexico, 9 Jul (AFP)—The Mexican guerrillas have called a national democratic convention in "an effort to begin a process of dialogue and agreement among the country's various social and political sectors on the nation's fundamental problems."

The Zapatist National Liberation Army [EZLN) issued a communique on 9 July calling civic, political, and social organizations and politicians and intellectuals to a convention from 6 to 9 August.

The EZLN proposed for discussion points: the transition to democracy, the unviability of the state party system, peaceful ways to make the transition to democracy, civic resistance, defense of the people's vote, and outlining a national project.

"Mexico is immersed in an unfair, illegal, and authoritarian state party system in which the violation of fundamental human rights prevails," the communique said.

The Zapatists outlined the procedures whereby the participating organizations should choose delegates to the convention, which will be held somewhere in Chiapas State, where the EZLN took up arms on 1 January.

The communique notes the "abject poverty" in Mexico and says that for this reason, "the transition to a democratic system cannot be avoided or delayed and demands all forms of struggle." Legislative and presidential elections will be held in Mexico on 21 August with participation of nine different parties.

Governor on Talks on San Juan Chamula Expulsions

PA1007180894 Mexico City Radio ACIR Network in Spanish 0000 GMT 9 Jul 94

[Report by Javier Cruz de la Fuente in San Cristobal de las Casas, Chiapas State; from the "Evening News Panorama" newscast]

[Text] [Announcer Pepe Cardenas] Our reporter has information on today's [8 July] meeting between Chiapas State Governor Javier Lopez Moreno and the people involved in the San Juan Chamula conflict, which ended a few days ago with a bloody exchange of gunfire. How are you, Javier? Good afternoon.

[Cruz] Good afternoon, Pepe Cardenas. Exactly 10 minutes ago, the meeting in San Juan Chamula ended after two and one-half hours. The meeting took place with Chiapas State Governor Javier Lopez Moreno; Jorge Madrazo Cuellar, commissioner for peace and reconciliation in Chiapas; Mr. Efrain Gonzalez Pola, the National Human Rights delegate in San Cristobal de las Casas; and other officials. A private meeting was held with 15 San Juan Chamula authorities and State Governor Javier Lopez Moreno to resolve the issue of returning some 584 people to their places of origin in San Juan Chamula; they were expelled for religious reasons. They are currently housed in the Office of Indian Affairs. To this end, Governor Lopez told the media:

[Begin Lopez recording] The municipal council president attended these preliminary talks along with the peace and reconciliation commissioner. I want to tell you the main points of the initial agreement:
1. San Juan Chamula authorities and leaders are willing and ready to sit down at the negotiating table with the other side.
2. At 1200 on Monday 18 July, in 10 days, both sides will meet at the Tuxtla Gutierrez Convention Center. Of course, other participants will include state and government representatives, the peace and reconciliation commissioner or his representative, and national and state Human Rights Commission representatives.
3. By tomorrow night at the latest, the state government will repair the damage done during the incidents that took place 48 hours ago.
4. The state government has suggested to San Juan Chamula authorities and leaders the possibility that for the time being arrest warrants not be enforced and that penal cases be left pending so as to not upset the negotiations. The other order dealing with the expulsions has already been blocked.

One last point: There will be one government representative for each of the 93 communities that comprise San Juan Chamula plus a 15-man negotiating team. Still pending is the number of representatives for the other side, although we believe it will be exactly the same number.

San Juan Chamula authorities and leaders have displayed the utmost willingness to end this social conflict, which as the municipal council president has said dates back a long time. Last, the municipal council president expressed to the state governor his recognition for the work done by the president to preserve its very existence. [sentence as heard] That is all, gentlemen. [end recording]

President Announces Business Debt Renegotiation Plan

PA0807233694 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 8 Jul 94

[From the "Early Morning" newscast]

[Text] President Carlos Salinas de Gortari has announced that more than 50,000 industrialists will be able to renegotiate their overdue debt payments. For that purpose, he added, they will have access to credits worth 25 billion new pesos.

[Begin Salinas recording] Today, this debt renegotiation plan is being combined with efforts already under way to strengthen our economy. The plan will permit a long-term renegotiation of overdue debts in the business sector and support those who for various reasons have

had difficulties honoring their credit commitments. NAFIN [National Financial Bank, Incorporated] will issue zero coupon bonds to finance the operation of viable enterprises with overdue debts. In turn, as you know, those enterprises will acquire bonds as guarantees to renegotiate their credits with commercial banks payable in 12 or 16 years. In addition, commercial banks can give new credits to enterprises for up to 50 percent of the bond's value or issue new credits to be used as capital, which will be guaranteed by NAFIN.

More than 50,000 enterprises will benefit from this renegotiation plan, which will include credits exceeding 25 billion new pesos. We know that by deferring payments, we can contribute to the country's economic development. It is a good decision, particularly considering the solid foundations upon which prospects for Mexico's economic recovery are based. [end recording]

Business Proposal Protects Industry, Creates Jobs

PA0807225394 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 8 Jul 94

[Report by Rebeca Sanchez Fernandez from the "Early Morning" newscast]

[Text] Businessmen are demanding a considerable increase in industrial investment and have come up with a program that supports businesses and creates jobs.

The Mexican work force increases at a rate of 1 million yearly. That is a worrisome situation for Mexican businessmen, who are not only unable to create new jobs but are unable to preserve those that already exist.

The business sector admits that the situation is difficult for micro, small, and large companies due to the drastic economic reorganization. Antonio Sanchez, president of Mexican Employers Confederation, broached the issue.

[Begin Sanchez recording] We are not sitting back with our arms crossed. We have presented proposals based on reorganization, on that long-term vision. Without growth, things will continue as they are; without investment, there will be no growth; and without growth, no jobs will be created. Those are the facts. [end recording]

Businessmen say investment must increase at least 15 percent for growth to reach 3 percent this year.

Aware that there are no magic solutions, Mexican businessmen have presented a proposal that protects businesses and promotes job creation. The proposal contains nine points that are divided into several lines of specific action, including the creation of a new tax framework, the broadening of concepts pertaining to tax payment deductions, the opening of the oil market to free imports, and the expansion of health service options for workers through health bonds. The proposals were discussed by the business sector and will soon be formally presented to the economic cabinet.

Roundup of Electoral Developments

PA0807225294

[Editorial Report] The following is a compilation of reports on developments related to the elections scheduled for 21 August.

The Civic Observation 94 Alliance has reported to Government Secretary Jorge Carpizo that, according to a poll conducted among 10,000 people in 20 states, 46.5 percent of the people feel there will be electoral fraud on 21 August. Carpizo agreed to form a liaison commission between this civic alliance, the Federal Electoral Institute (IFE), the Federal Voters Registry, and the Attorney General's Office. Through this commission, the alliance will have access to all IFE data related to the elections and will be able to channel all complaints. (Mexico City LA JORNADA in Spanish 30 Jun 94 p 13)

Yesterday, Ernesto Zedillo, presidential candidate of the Institutional Revolutionary Party (PRI), promised to work for and watch over NAFTA to ensure that the trade pact does not become a paper tiger. Zedillo insisted he will strive to get the United States to lift the tuna embargo it has imposed on Mexican fishermen. (Monterrey EL NORTE (Foreign Edition) in Spanish 1 Jul 94 p 4A)

The 300 district councils of the IFE today agreed there will be 96,438 polling places set up throughout Mexico for the 21 August elections. Approximately 45.7 million registered voters are expected to vote in the elections for a new president, 500 deputies, 96 senators, and 667 representatives to the Mexico City Assembly. (Madrid EFE in Spanish 2354 GMT 3 Jul 94)

Cuauhtemoc Cardenas, presidential candidate of the Party of the Democratic Revolution (PRD), said yesterday that his party could very well "deal with" facing an alliance between the National Action Party (PAN) and the PRI in the 21 August elections, considering it has been able "to put up with six years of the Carlos Salinas Administration" and the "hostility of the entire government." Cardenas ruled out any possibility of seeking an alliance with the PAN. (Monterrey EL NORTE (Foreign Edition) in Spanish 5 Jul 94 p 4A)

On 5 July, candidate Zedillo urged his fellow party members in Mexico City to reject any forecasts that the PRI will have problems winning seats in the elections. We are convinced, he said, that the PRI will win in the Federal District. Nevertheless, PRI officials have pointed out the party could have problems in some electoral districts in Mexico City. (Madrid EFE in Spanish 0254 GMT 6 Jul 94)

Ernesto Zedillo has proposed a plan for growth in Mexico City that is balanced, fair, and environmentally friendly. Zedillo promised efficient public transportation, improved gasoline, special mass transportation measures, fiscal incentives, and an environmental law for the Federal District.

Meanwhile, PAN President Carlos Castillo Peraza has announced his party, after a careful review, supports the Electoral Registry, as presented by the IFE. Castillo pointed out that the lists cover 96.3 percent of all Mexican citizens, and that they are consistent.

Cuauhtemoc Cardenas, however, criticized PAN for supporting the Electoral Registry, adding that PAN is an "accomplice, inasmuch as it is participating in an electoral ploy." The PRD candidate made the statement in Veracruz, where he is on the campaign trail.

The Government Secretariat and the IFE have announced that the 1994 Electoral Registry is "substantially better than the 1991 one." It was also announced that the political parties will receive the lists with the names of more than 45 million registered voters by 21 July at the latest.

Finally, the Mexican Human Rights Commission said any complaints should be forwarded in the proper manner; that is, all political parties should have qualified advisers who should file these complaints or, otherwise, IFE will reject the complaints. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 5 Jul 94)

El Salvador

Demobilized Soldiers To Receive Indemnification

PA0807121694 San Salvador Canal Doce Television in Spanish 0300 GMT 8 Jul 94

[Report by Edwin Gongora from the "Up-to-Date" newscast]

[Text] Once again, the Legislative Assembly was the scene of a protest by demobilized soldiers, who are demanding indemnification for having fought during the war. The demobilized soldiers entered the Legislative Assembly by force this morning to demand not only indemnification but land and farming credit as well.

In the afternoon, the demobilized soldiers were received by a commission of deputies who, in front of Onusal [UN Observers for El Salvador] members, promised to obtain the payment beginning tomorrow, Friday.

[Gongora] This was the situation at the Legislative Assembly this Thursday morning, when a group of demobilized members of the Armed Forces and the defunct security corps went there to demand indemnification as soon as possible, as well as land for tilling and agricultural credits.

Approximately 2,000 demobilized soldiers carrying sticks, machetes, knives, and iron rods surrounded the Legislative Assembly building. A group of hooded men went up on the roof. At first, the demobilized soldiers were unable to enter the building, but they finally managed to enter and to speak face to face with the president of the Legislative Assembly [Gloria Salguero].

[Begin recording] [Unidentified woman] You are going to be paid tomorrow, my friend. I have just told you that I went there yesterday, and that you will be paid tomorrow. I asked why you could not be paid right away, and they said that the checks had to be prepared.

[Unidentified man] [Words indistinct]

[Unidentified woman] That is what I am going to do right now. If you will allow us to work, that is.

[Unidentified man] Why not talk to the officials?

[Unidentified woman] Exactly, let us go and talk to them. [end recording]

There were tense moments inside the building because the demobilized soldiers did not allow anyone to leave until they were promised that they would receive their money. All of this prompted a closed door meeting between representatives of the former soldiers and a joint congressional commission. Following two hours of talks, there were satisfactory results.

[Begin recording] [Unidentified woman] At this time, the promissory notes that were delayed....[pauses] I believe that part of the problem was a lack of funds. Yesterday, we contacted the finance minister and we have received a letter of commitment. The funds are already on hand and the checks are being prepared so they can be distributed tomorrow.

[Unidentified man] One has to speak clearly. The finance minister has to bring the lists. He has to work for our proper reintegration into society, reintegration in the manner agreed upon in the peace agreements. [end recording]

The negotiations also had another result: the inclusion of administrative personnel, who will also be indemnified. Another agreement reached was to form a joint commission among the Armed Forces, the Government, and the demobilized soldiers to resolve some problems that persist.

For the time being, a temporary solution has been found for the demobilized soldiers' problems. We must wait, however, and see if this will be accomplished rapidly. Otherwise, the former soldiers threatened to carry out more extensive actions.

The demobilized soldiers' demands will be fulfilled if one believes the authorities' promises. The Finance Ministry has confirmed that on Friday, it will renew the delivery of indemnification to former Armed Forces fighters. According to the ministry's director of payments, the delay was not due to a lack of funds or political willingness, but because the measure was contingent upon a reform of Decree 784, which establishes indemnification for demobilized soldiers.

Guatemala

Minister Rules Out URNG Role in Assassination Plot

PA0807192794 Guatemala City SIGLO VEINTIUNO in Spanish 3 Jul 94 p 3

[Report by Carlos Castanaza Rosales]

[Text] Defense Minister General Mario Rene Enriquez has ruled out the Guatemalan National Revolutionary Unity's (URNG) participation in an attempt to assassinate the president, through a plan which was uncovered days ago, and he has also denied its goal could have been to obstruct the peace process.

Enriquez has said the peace process is advancing, although, obviously, it would have suffered a major setback had the assassination occurred, and this would have brought back sad times, like 25 May when disorder reigned in Guatemala.

The official believes this case should not be described as a plot but, rather, as an action involving someone who hired a murderer and between one to three sharpshooters.

The high-ranking military leader took for granted that those who want to eliminate the president are Guatemalans, and he expressed regret that the target of such actions is someone who has experienced a very difficult year at the Presidency.

I do not know why certain people want to assassinate him; these are people from Guatemala, Enriquez insisted, saying the weapon that was found was a high-caliber, long-range rifle.

He has said this action, which, thank God, was discovered on time by the presidential staff, is some type of warning that should lead us to heighten security measures and prompt us to urge the president to be more careful.

Enriquez reaffirmed this case does not involve a group but only a few people, it is a case in which someone paid for a service and another received a payment.

Asked whether this could involve personal revenge, Enriquez said it is possible, but he added he does not know who could have such a strong feeling against the president.

In the political arena, however, there are people who oppose him, people who are displeased with the attitudes of and actions taken by the president this year. People should accept things that could improve the well-being of the masses, Enriquez added.

President on Revamp of Army, Intelligence Service

PA0807220994 Guatemala City PRENSA LIBRE in Spanish 1 Jul 94 p 4

[Text] Yesterday, Guatemalan President Ramiro De Leon Carpio announced that the Army's future reorganization was already being studied jointly by the government and the Army Supreme Command. De Leon Carpio said that in the future, military recruitment would no longer be compulsory but voluntary. He also said the Civilian Self-Defense Patrols (PAC) would be disbanded.

De Leon Carpio announced the creation of a government intelligence service controlled by civilian personnel to give counsel to the highest levels of government. This agency will begin operating shortly and will be overseen by a permanent Secretariat of the National Security Council.

The president made this announcement during a speech before thousands of Guatemalan citizens who attended commemorative ceremonies to celebrate the Army's 123d anniversary in the Plaza de la Constitucion, better known as Parque Central.

Ramiro De Leon Carpio said 30 June was an important date because from now until 1995 many things will change. The reduction or reorganization of the Army, announced last year, is now being drafted in specific terms, and as the negotiations advance the military institution will also advance, he added.

The president and commander in chief of the Army said Guatemalans can expect to have a smaller Army in the near future. In other words, De Leon Carpio explained an Army with fewer but better trained soldiers, and with better quality equipment and technology to face the new challenges of a country at peace.

President De Leon Carpio, surrounded by members of his cabinet in the presidential box and under tight security, said a law is being sought that will couple the fulfillment of an obligation with the protection of constitutional rights related to military service.

Therefore, he said, military service should not be compulsory and should not violate human rights; it should be all-embracing, not discriminating; and the period of service should be reduced. On this subject, De Leon Carpio ordered that while the bill is being debated, only volunteers will be recruited and all legal exceptions will be respected.

Protected by thick bullet-proof glass, the president also referred to members of the PAC, a force considered by some as strategic allies of the Army against the URNG [Guatemalan National Revolutionary Unity], while others say it is used by the Army to force peasants to participate in the domestic conflict. Recently, the PAC has been accused of abusing its power.

De Leon Carpio said it is difficult for people in large cities to pass judgment on things they have neither lived through nor experienced; however, now that this sad moment in history is about to end, it will engender the end of the PAC.

While the president was giving his speech, some members of the military reserve corps and civilian patrols fainted. The Army will grow stronger as long as it is not forced to occupy positions it is not meant to occupy, De Leon Carpio said.

Because of this, he said, it is necessary for every person in society to assume and carry out his own duty. With this goal in mind, the president ordered the creation of a government intelligence service, which will be operational within a few days and will overseen by the permanent Secretariat of the National Security Council.

De Leon Carpio warned that peace depends on the individual action of Guatemalans and the political will of the parties involved.

Peasant Organizations Stage March

PA1007172394 Guatemala City Teleonce Television in Spanish 1900 GMT 7 Jul 94

[From the "Telepress" newscast]

[Text] Members of the Peasant Unity Committee [CUC], the National Commission of Guatemalan

Widows [Conavigua], and the Labor and Popular Action Union [UASP] marched today, Thursday, from Mixco, where they had spent the night after departing Tuesday from Huehuetenango Department. The march is being staged to demand the fulfillment of the overall agreement on human rights and the immediate installation of an international verification commission to monitor the agreements reached between the government and the URNG [Guatemalan National Revolutionary Unity].

Peasant leaders from Huehuetenango demanded a halt to repression by security forces against members of CUC and Conavigua. The peasants interrupted traffic on several streets they transited on their way to the UN headquarters in this capital, where they delivered a note addressed to UN Secretary General Butrus Butrus-Ghali. When passing the U.S. ambassador's residence on 20th Street, Zone 10, members of the people's organizations painted slogans on the building's walls, decrying the Civilian Self-Defense Patrols [PAC] and the impunity in the nation. CUC leader Rosario Pu and UASP leader Miguel Angel Lemus made the following statements:

[Begin recording] [Pu] We started to organize this march after two of our members were arrested in Huehuetenango two months ago. Recently, on 5 July, we held a meeting in Ixtahuacan, a meeting in which many comrades from the region participated. Among those present were the judge and governor of Huehuetenango, representatives of the Human Rights Prosecutor's Office, international delegations, some regional media, leaders of CUC and Conavigua, the two comrades who had been tried, and us.

Army personnel had proposed the reconstruction of the evidence against our comrades, but they failed to show up. Therefore, we decided to stage a march. More than 200 comrades from the Huehuetanango region arrived in Chimaltenango on the afternoon of 5 July. We began this demonstration on 6 July, and it concluded today. Its was designed to demand the fulfillment of the overall agreement on human rights signed by the two parties—the government and the URNG. At this time, we are also demanding the speedy installation of the verification commission in our country because our human rights continue to be violated in various regions of the country by the PAC in the form of forced conscription and other more severe violations in our communities.

This is why, right now, we are going to deliver a documetn to the United Nations in which we request its cooperation. In this document, we also are requesting the verification commission because this is important for our nation at this time. It will play an important and historic role. This is why we are delivering this document containing our specific demands to the United Nations.

We are requesting that human rights be respected in our country. For us, in our communities, human respect means no more repression, no more threats, and no more constraints being placed on our leaders and organizations. Currently, CUC and Consavigua are being threatened and constraints are being implemented by the Army and the PAC. Specifically, the commander of Zone 19 in Huehuetenango is asking to imprison CUC and Consavigua leaders. We will not permit this. We will continue with our struggle with great force, with great moral force in all the parts and regions of the nation, to demand the fulfillment of the peace agreements in Guatemala.

[Unidentified reporter] Who is taking part in this demonstration?

[Pu] There are more than 5,000 people from the countryside. Currently, people's organizations, labor unions, student organizations, and Mayans have started to join. As you can see, there are also foreigners who have accompanied us since 5 July. International solidarity is on the rise. We confirm here once again that the overall agreement signed is the result of international solidarity and the efforts of the Guatemalan people, who have struggled for many years to achieve true peace in our country. This is why various international delegations are now taking part in this historic demonstration for the fulfillment of the overall agreement on human rights.

[Reporter] To what other place are you going to deliver a...

[Pu, interrupting] This is going specifically and solely to the United Nations. What currently interests us, and this is both a reality and a necessity, is peace in our communities. We are tired of delivering notes, requests, communiques, and other documents to the government, the Attorney General's Office, the Prosecutor's Office, and the Supreme Court of Justice. We do not know where all of these documents have gone, but we know that we have not received any answers. This is the only document we are going to deliver, and it contains our current efforts, our demands. This is the first document we are delivering publicly to the United Nations, and it is supported by thousands of people who want peace in Guatemala.

[Reporter] We are now going to speak to Miguel Angel Lemus of the UASP Executive Committee. What is your opinion on the march?

[Lemus] As a UASP member, in addition to the organizations that are taking part in this demonstration, which are also UASP members, the entire UASP Executive Committee is here to support and coordinate this great march. This march is designed to deliver the document to the United Nations, and we support all union and popular organizations. [end recording]

A UN representative in this capital received the demonstrators and promised to take action in line with the document in which CUC and Conavigua demand, as soon as possible, the creation of a verification commission for the agreements signed by the government and the URNG.

Honduras

Foreign Minister Outlines Strategy for Debt

PA0907044794 Tegucigalpa LA TRIBUNA in Spanish 8 Jul 94 p 11

[Excerpt] Foreign Minister Ernesto Paz Aguilar yesterday said that Honduras' strategy to deal with the country's foreign debt includes renegotiation, reconversion, or debt forgiveness.

He said the country's biggest problems is that it has allocated 35 percent of GNP to amortize its foreign debt. He added that the situation cannot be allowed to continue and that the country must become more aggressive.

Paz Aguilar also reported that the electric generator that Taiwan offered to Honduras cannot be imported because the plant's disassembly, transportation, and reassembly would cost $55 million. "The plant is too expensive. We will have to find alternatives, which could include, on a short term basis, the plants offered by Mexico, and, on long-term basis, the construction of a dam on Patuca River.

The minister also said the Honduran Government would support intervention by a UN peacekeeping delegation in Haiti but flatly opposes a unilateral U.S. military intervention. "These mechanisms, as well as loans, are the only means that can be used to bring dollars to the country." [sentence as published] [passage omitted]

Nicaragua

U.S. Nun, 2 Others Wounded in Attack

PA0807231794 Paris AFP in Spanish 2146 GMT 8 Jul 94

[Text] Managua, 8 Jul (AFP)—The National Police report that a U.S. nun and two Nicaraguan women were wounded today in an attack by a group of heavily armed men in northern Nicaragua.

The two Nicaraguans and two U.S. nuns—one of whom escaped unharmed—came under rifle fire while traveling in a vehicle in the San Juan de Limay area near the city of Esteli, 150 km north of the capital.

The Maryknoll Order, to which the nuns belong, has identified the two as Loretta Kruegler and Rita Oxczarek, of Polish origin, who was wounded. The wounded Nicaraguan women are Fernanda Midence and Aurelia Galeano, who apparently are from the area in which the attack occurred and who work with the nuns. Police believe the attack was a common crime and will open an investigation immediately.

Armed men led by leaders known as Cascabel, Charro, and Pajarillo, who in the past formed part of the demobilized 3-80 Northern Front, operate in the area in which the attack took place.

Minister Holds Talks With German Officials

PA0907135694 Hamburg DPA in Spanish 0739 GMT 7 Jul 94

[Text] Bonn, 7 Jul (DPA) Erwin Kruger, Nicaraguan foreign cooperation minister, said shortly before ending a three-day visit to Bonn that Germany has condoned approximately $85 million of Nicaragua's debt with the former German Democratic Republic.

Kruger held talks with high-ranking officials from the German finance and cooperation and development ministries, as well as with Federal Government representatives from parliament (the Bundestag) before traveling to Stuttgart, where he will visit the main offices of the automobile consortium Daimler Benz.

The Nicaraguan minister said during a news conference Germany's condonation "creates a historic precedent in light of the negotiations Nicaragua will undertake next week in Moscow to reach an agreement on its debt with the former Soviet Union."

Nicaragua's total foreign debt amounts to more than $4 billion. Nicaragua owes Russia, as the successor of the Soviet state, $3.2 billion.

"We hope Russia will also condone an important portion of the debt in view that unlike Germany, Russia does not grant us any developmental aid," Kruger told the GERMAN PRESS AGENCY (DPA).

Germany announced yesterday it was granting Nicaragua an additional 53-million marks worth of developmental aid following three days of negotiations between official delegations from both countries.

Carl-Dieter Spranger, German cooperation and development minister [title as received], told Kruger his government will continue to support President Violeta Chamorro's efforts to consolidate democracy and a market economy.

Germany and Nicaragua this time negotiated the conversion of a $180-million debt in accordance with the guidelines of the 1991 Paris Club. Both governments will hold new talks this year to reach an agreement on another part of the debt with the former communist Germany and with the FRG.

"Of that $180-million debt, $125 million is with the former East Germany, the remainder with West Germany. We reached an agreement after a lengthy negotiation whereby the FRG will condone 80 percent of the debt with East Germany (approximately $85 million), and the debt with the FRG will accrue the same interest rate applied by the Paris Club for commercial debts (not developmental aid debts). This relieves 70 percent of the overdue portion," Kruger said.

Nicaragua is the world's most indebted country per capita. Each Nicaraguan owes on average $3,000 in foreign debt and has an average income of $400 a year.

"Our level of indebtedness is nearly six times the GNP [gross national product], and the priority service is nearly 85 percent of our country's exports," the minister added. "The debt cannot be paid, and this is why Nicaragua needs the greatest possible relief."

The Central American country is committed to democracy and development and maintaining its plan of stabilization and structural adjustment, after inheriting a 34,000-percent [figure as received] inflation rate generated by the previous Sandinist government and the civil war.

"Poverty in Nicaragua is worrying, and we are intent on fighting it. One of the most important ways of combating poverty is by increasing production, the employment level, and the generation of riches. This is what we are doing," Kruger concluded.

Germany Forgives 70 Percent of Debt

PA0907044994 Managua Radio Nicaragua Network in Spanish 1200 GMT 7 Jul 94

[From the "This Morning" newscast]

[Text] The Presidency has informed the public that today the FRG Government has forgiven 70 percent of Nicaragua's overdue debt within the framework of the December 1991 Paris Club agreement. For the first time, this includes the socialist debt with the former GDR, 80 percent of which was forgiven.

The negotiations with the FRG conclude the round of talks Nicaragua had to hold with each of the signatories of the Paris Club's first meeting with Nicaragua in December 1991. This opens the door for a second meeting in September. At that meeting, Nicaragua will request additional reductions in its current debt.

Panama

Endara Says U.S. Official 'Humiliated' Him

PA0907001894 Panama City Circuito RPC Television in Spanish 2300 GMT 8 Jul 94

[From the "RPC TV News" newscast]

[Text] Panamanian President Guillermo Endara Galimany told domestic and foreign reporters the reason for his abrupt refusal to accept 10,000 Haitian refugees. President Endara announced at the presidency that from the outset of the negotiations regarding asylum for Haitians in our country, he has been humiliated by representatives of U.S. President Bill Clinton.

[Begin Endara recording] Everything seemed to have been arranged until they decided to send a Neanderthal, a rude man whose last name is Beers, from the National Security Council. I have concluded that he is one of those people who thinks he is proconsul of the big U.S. empire and that we are their subjects, that we are banana republics.

First he met with the three ministers who have been with me through all of this. The meeting was a disaster. It was a disaster because the three ministers were not going to be intimidated, coerced, or pressured. The three ministers came here to the presidency at about 2200 on Wednesday and explained everything that happened. It was a disastrous story, a story of a total lack of tact. Before they had finished telling me everything, I received a call from the U.S. Embassy that the famous Mr. Beers wanted to talk to me. I thought to myself, I want to see this Mr. Beers to see if the ministers are exaggerating. They were not exaggerating. A red-haired man entered. He acted as if he owned this country because he was from the National Security Council of President Clinton and I was a subject—he didn't say so, but that was his attitude—a subject of the United States who had to do what the empire said. I remember that his first words after greeting me were: Washington is very upset with you, Mr. President. President Clinton is disappointed. It is incredible that you, after all the talks, are going to change Panama's position. It has been said all along that there would be an agreement between the United States and Panama, and now you want it to be with the United Nations.

I felt like telling him to get out of my house. I did not do it because I hoped that [words indistinct]. [end recording]

The president added that after he had withdrawn his agreement to grant asylum to the Haitian refugees, the U.S. representative tried to pressure him not to make that decision.

[Begin Endara recording] I had a breakfast, as I have every morning, with the U.S. Embassy, with the representatives here, and they asked me for permission to bring the famous Mr. Beers to the breakfast. When the breakfast began, before they said anything, I told them: Gentlemen, I have made a decision. I withdraw my offer to grant asylum to the Haitians. We cannot understand one another in the manner in which you are treating me. I wont allow you to treat me this way because you are mistreating the Panamanian nation, not me, but the Panamanian nation. I will not allow the Panamanian nation to be treated that way. Mr. Beers got angry and said a lot of things. What I resented the most, what I resented the most was that he told me: Now, when I go out I will tell the reporters that the United States is willing to continue negotiating and that Panama is not. I answered: That is very unfair, because if you are going to say that, you are going to have to explain why Panama doesn't want to continue negotiating. Then he responded: Look, if you want it to be known why Panama doesn't want to continue negotiating, you are going to have to explain to reporters why Panama doesn't want to continue negotiating. [end recording]

President Endara also commented on statements made by President-elect Ernesto Perez Balladares.

[Begin Endara recording] When he says that I have been the object of international ridicule, he is definitely starting an unnecessary conflict. But because he has said that I am the object of international ridicule and because he has told a bunch of lies, like a big hypocrite, then I have to react. I believe in the principle of an eye for an eye. [end recording]

Endara emphasized that for his part, this problem will not affect the transition commission, because that is his duty as outgoing president.

Endara Reviews Talks With U.S.

PA1007024794 Panama City Circuito RPC Television in Spanish 1825 GMT 9 Jul 94

[Interview with President Guillermo Endara Galimany by RPC News Director Julio Miller at the Presidency in Panama City; date not given; includes video-recorded clips of President-elect Perez Balladares' 7 July news conference and unidentified individuals; from the "Let's Find Solutions" program—recorded]

[Text] [Miller] We begin the debate with the president and his views on the crisis generated by the possible arrival of Haitians in Panama. Mr. President, how do we view the fact that a crisis was sparked in Panama by the arrival of Haitians on Panamanian territory?

[Endara] Please allow me to briefly narrate the story. On Friday, I received a call from the United Nations saying it was interested in establishing a safe haven [preceding two words in English] for Haitians in Panama. They recommended that I establish the camp on an island, as they have had good experiences with islands. In addition, Panama is signatory to several treaties with the United Nations, among them the treaties on refugees. This would allow us to negotiate a perfectly valid agreement, without the need for Assembly approval, based on the UN international treaties.

On Saturday and Sunday, Panama and the United States held negotiations in this regard. The agreement with the United Nations established that the United States would act as guarantor. It was to provide funding to the United Nations, but the operation would be carried out by the United Nations, under the UN flag, with the Blue Helmets, but the money would come from the United States. That is why we met on Saturday and Sunday with U.S. Government representatives. Those meetings were very good. A very good, skillful, and respectable U.S. envoy—I don't remember his name right now—took part in the negotiations. It was agreed that the operation would be carried out by the United States.

They proposed early on they wanted to use U.S. military bases in Panama to house Haitians. I explained to U.S. representatives in depth why the U.S. bases could not be used for said purposes. Among the reasons for not using the bases are the Panama Canal Treaties and a promise I made during the electoral campaign not to change those Treaties—I kept this promise throughout my mandate. A third reason was a principle derived from the note issued by Panama's then Foreign Relations Secretary De Obaldia addressed to the U.S. secretary of state. This note has been a cornerstone of Panama's foreign policy and has been faithfully observed during the republican period, except during the dictatorship. This note establishes that the strict use of defense sites for defense of the Canal.

[Miller] But how is Panama's international image affected by this?

[Endara] Let me explain this because that is precisely the point I wanted to make. Everything was progressing smoothly. On Monday, U.S. representatives said the United States needed six military bases for this purpose. I said no sir. They said they needed to use six out of the seven military bases. I said no, I'm sorry but no. We will not authorize that.

Then they came with the tactic of saying President Clinton had already been informed that six military bases would be used for housing the Haitians, and President Clinton would be upset if I said they would be housed in one location. I said, well let him be upset! Let him be upset! If you told him a lie, you correct your lie. You must inform him that the situation is not as he thought.

On Tuesday, I spoke to President Clinton and explained the situation thoroughly to him. He told me: I understand you perfectly well. That issue of the bases is not a problem. I understand your point; please proceed. Everything was going well, and I thought the matter had already been settled. But on Wednesday, the United States sent to Panama a gentleman from the National Security Council. That gentleman thought he was a proconsul of the North American empire. He came here thinking we would bow to him, and we were subjects of the Great North American empire. He was an absolute jerk [antipatico]; he was a sardonic and intimidating individual. The United States sent an absolute fool here.

The meeting with this U.S. representative was also attended by the three ministers who accompanied me in these meetings. After the meeting, the three ministers informed me—as I would meet with them the next day at a breakfast and they wanted me to know—that this guy the United States sent was a fool. He has been trying to pressure us on a number of issues.

We had already agreed, for example, that the matter would be handled through the UN, and now he wants it to be through the United States. He wants the agreement to be between the United States and Panama and using the U.S. Army instead of UN Blue Helmets. I said that will not be the case. Much to my surprise they called me and told be that Mr. Bearce, which is the Security Council official's name, wants to see you. I said, of course, I would like to meet him.

I do not know how I kept myself from throwing that man out of the Presidency, because the first thing he said was: Washington is very angry with you. He was telling me off and looking at me with a furious expression. Washington is extremely angry with you. President Clinton is very disappointed with you. You are not acting in good faith. You changed your mind. President Clinton thought the agreement was between Panama and the United States, and you now change things saying it was with the United Nations. He spoke in that tone, just like that.

I should have stopped him right there and then and said: You had better leave. But that's the way I am. I tried to clarify and explain. It was useless. That was the way he acted throughout. He was really insulting.

[Miller] On the same issue, Perez Balladares said that President Endara called him personally in Hong Kong at midnight on Monday to advise him of the situation.

[Perez Balladares] President Endara called to tell me, to inform me, of a decision he was going to make public in approximately one hour, at noon he told me. He said he had reached this decision at the request of the UNHCR and following conversations with President Clinton. It was midnight over there. At that hour one is usually asleep. Since he was not calling to consult me but to inform me—this was done in the presence of Jose Luis Sosa, who is around here somewhere—I only made a couple of comments. First, I told him that I personally understood the struggle and anguish of the Haitian people to attain an internal democratic process. I also told him that I understood the reasons why so many people were fleeing Haiti. They were fleeing because of internal pressure, persecution, and hunger. I also told him that, just like any other human being, the suffering of the people was something that worried me.

Regarding that telephone conversation, I also told him that two or three things concerned me about what he had told me. First, I asked him about the number of people. President Endara at that time told me we were talking about some 4,000-5,000 people. I also asked him about what kind of time frame we were looking at, because it appears to me, I told him, that we should clearly define the time period the refugees will stay. Third, he told me that he had proposed, as someone in the United Nations had hinted, that they be sheltered on an island, because an island would provide the best means to keep them isolated, and he added that he had proposed the island of San Jose. When he told me this, I said: Mr. President, think this over carefully, because as far as I know, San Jose Island is private property. I also think it will be very difficult to control a number of people on that island. He told me they were thinking about this and that a final decision had not been made. He said he had suggested the island based on advice from someone at the United Nations.

[Miller] Mr. President, the international press is saying that we, the Panamanians, have ridiculed ourselves internationally. Have we in fact ridiculed ourselves internationally?

[Endara] That hypocrite Perez Balladares is the one who has ridiculed himself internationally. He is a hypocrite, because I called on him Monday morning. I was not going to do any of this if he did not agree. I knew well this agreement would basically take effect under his administration. So I called him Monday morning and told him everything about the accord, and he told me it was all right. He told me he supported me. He even asked me for further clarification of certain points of the negotiation, which I proceeded to do. It was his right to ask me to do it. I would not have proceeded if the president-elect had said: Hey, what you are doing is madness. Do not do it! I would never have gone ahead because I am perfectly aware that most of the terms of the agreement will fall under his administration. Now he hypocritically turns around and says that I never consulted and that I simply notified him. This is not the case. This is simply not the case! That is simply hypocrisy. He is simply trying to free himself of all the pressure. In addition, he is a demagogue, because what he really began to do once he became aware that public opinion was against the Haitian refugees' arrival, was to ingratiate himself, so he started to say that I should have consulted with the various groups in society. But he never said that on Monday, or that I should have done this or the other, this or that. He made himself the subject of international ridicule. He is the one who is belittling himself internationally.

[Perez Balladares] If in my administration that begins on 1 September... [pauses] if such a situation were to arise during my administration, you can be certain that what I will do is what has characterized and will always characterize my actions. I will consult with the greatest number of Panamanians as possible before coming to a hasty decision—a decision I will have to regret three days later and for which I would risk becoming an object of international ridicule.

[Miller] Mr. President, for the future, what experiences have we learned from all of this?

[Endara] Well, first, that we cannot believe anything the president-elect says. In due time the people will become aware of what their president-elect is like. No one will be able to believe anything he says. It is time the Panamanian people became aware of this since I have already gone through it in my own flesh. That is number one.

Second, under all circumstances we must demand respect from the gringos. And when they do not comply, we must tell them exactly where to go.

[Perez Balladares] It has been unfortunate because Endara has lacked the ability to reasonably explain what could have justified his decision. In addition, he was irresponsible when he said that I was consulted. At no time I was consulted. I was, and I thank President Endara for this, informed by him of what his announcement was going to be—in other words, the decision he had already made. I tried to see that the decision did the least harm possible to our interests, the interests of the Panamanian people, above anything else.

[Miller] He said you acted irresponsibly by agreeing to accept the Haitian refugees in Panama, creating uncertainty and unrest among the people.

[Endara] He is a big liar and a big hypocrite. On Monday morning he categorically told me by telephone that he agreed and that he was going to support me. What happened was that in the interim this U.S. yes-man got involved and began making trouble, just because he owns or partially owns Contadora Island, and he felt that selecting San Jose Island would affect his interests, that's all.

[Miller] What is the situation nationally, since you had one opinion, and the president-elect had another? We had two different opinions of two governments in our country.

[Endara] No, sir! No, sir! No, sir! Monday morning I called Perez Balladares in Hong Kong. I spoke with him, and he was clear about it. He was clear. If he wants to lie now, I call him a liar.

[Perez Balladares] ...I knew that the announcement, if not explained properly to the people, would have unforeseeable consequences. The Panamanian people had to clearly understand the reasons, the humanitarian reasons, for this decision and know that the right to protect what is theirs would not to be affected—their jobs, opportunities to improve their situation—and that the justification of being refugees would not be used to take from the Panamanian people what they do not have.

During the telephone conversation, I also told Sosa that I would call him the next day as soon as I received the documents President Endara had promised. I have the documents here with me; two faxes he sent me. One of the faxes is the letter from the UNHCR, which I will read because it is important and because I know everyone has heard of it. The paragraph that interests us reads as follows:

I understand, Mr. President—the letter is addressed to President Endara—that your government would be willing to facilitate temporary lodgings for a significant number of Haitians at existing installations currently being used by U.S. military bases until more appropriate installations for this purpose are prepared.

It seems that the United Nations and U.S. requests intended that the Panamanian Government admit between 4,000 and 5,000 people to be temporarily lodged at U.S. defense sites in the Republic of Panama.

[Miller] To be specific, Mr President: Will the Haitians come to Panama or will they not?

[Endara] The Haitians will not come to Panama because I do not agree with the actions by the gringos. I am very sorry for the Haitians, a suffering people who are our brothers. I feel I have a charitable obligation to them. It pains me to see how public opinion is so senseless that they do not feel the pain of other people, do not realize that these are Caribbean brothers who are black and perhaps ugly and perhaps don't speak our language and have a different religion, but they should not be discriminated against because of that. I think this is no way to be charitable. This nation was put to a test and regrettably it flunked. Unfortunately the nation flunked. I am very pained by the way public opinion has behaved in the face of the painful situation of the Haitians.

[Miller] Most Panamanians think this crisis for the Haitians could have been avoided. The reversal, however, restores the Panamanian people's tranquillity. We will hear the opinions of the people on the street this afternoon.

[Unidentified person] I disagree with these people coming to Panama.

[Second unidentified person] He acted too hastily and he did not ask the people's opinion.

[Third unidentified person] He did right in banning them because they would have brought many diseases and this would have been very bad for us.

[Fourth unidentified person] This is a problem of the United States. Let it solve it. Do not send the Haitians to us. There are many poor people here. The population is large and there are few job opportunities. Even if the Haitians stay one year, how many more of them would there be at the end of one year? Then who would take them out? Let the United States solve this problem.

[Fifth unidentified person] I think this is a correct decision because Panama has many problems. Our own problems must be solved first.

[Sixth unidentified person] Endara made a decision too hastily. I will tell you the truth. If I had been in Endara's shoes, I would have replied that the people had to be consulted first, of course. And then, I would have to say I was in no position to accept any refugees in our country because I would have to hand over the government to the next president and that we could not hand over a house full of people to the president.

[Seventh unidentified person] I'll tell you something. When an intelligent person plans to do something, he estimates the result and the consequences of what he will do and then makes his decision. But some people apparently do not think. Since President Endara arrived in office, he has slipped and hesitated again and again. This is the result of improvisation and a lack of discernment.

[Eighth unidentified person] I disagree. We do not even have enough for ourselves. There are many people in need. Why should we shelter these Haitians when we are also in need? I disagree.

[Miller] Let us go back to the problem of the Haitians. Two presidents, two different opinions. Is this a real deterioration of relations between you and President-elect Perez Balladares?

[Endara] Definitely. Didn't you hear what he said about me yesterday? I will not repeat it. Let him talk. Turn the recorder on. He also said I had been ridiculous on an international level. But I have many things to say about him. I know him. I have already sized him up after that telephone conversation on Monday. I know because I heard. It is not necessary for anyone to tell me. I heard it. I know him. I warn the people. We will have a president who is a big liar.

[Miller] What consequences will this have for the rest of your term and the transition team's work?

[Endara] Personally, as president of the Republic, I feel I must go on with the transition, even with a liar, hypocrite, and demagogue. Never mind. He is the president that the Panamanians elected. The Panamanians will have some difficulties with him. But that's the way it is.

[Miller] How seriously have the relations deteriorated?

[Endara] How far have relations deteriorated? I will have nothing else to do with him; I do not want to have anything to do with him, because I cannot trust him.

[Miller] Does this mean there will be no future meetings with the president-elect?

[Endara] I do not see why we should meet again; we have already had enough meetings. However, if it is necessary for me to meet with him for the good of the nation, for Panama, I will meet with him. I have no... [pauses] Regardless of what he may have done to me, Panama comes before any personal feelings I may have.

[Miller] Mr. President, could similar situations occur in the future? What will happen if there is a rupture in your relations with other governments?

[Endara] This has been a tradition. Most transitions in Panama have been... [pauses] For example there was a total rupture during the Marco Robles-Arnulfo Arias transition in 1968. We did not have any—I speak as an Arnulfist, as I was planning minister during the government of Arnulfo Arias—I had no relations with Marco Robles and his government. Marco Robles boarded a plane in the last day of his government and left for Miami, leaving the Presidency for us to take over. There was no transfer of power. I am not proposing that. It is my duty as president of the Republic and as a Panamanian citizen who loves his country and wishes the best for his country. As far as I am concerned, the transition goes on all the same.

[Miller] Mr. President, what can we learn from this situation which, evidently, has not cast Panama in the best of lights on an international level?

[Endara] Our international relations with the United States, despite this problem and despite my feelings toward the representatives who were sent here, are not bad. You were here a while ago and you saw who was here. I received the visit of the U.S. charge d'affaires who came in a very normal mission. I would say that relations will continue normally. The ones I do not want to see again are the bullies who were sent here to intimidate me. I will not receive any of them in the Presidency again.

[Miller] Our conclusions: Panama has withdrawn its agreement to establish a center for Haitian refugees here. The measure adopted by President Endara is the correct one. It restores calm to the private sector and increases the citizens' confidence. This situation could have been avoided. It undermines Panama's international image, and it created internal uncertainty, uneasiness, and unrest. Presidents Endara and Perez Balladares should be in continuous contact on topics of current interest that affect the nation. Many of the decisions adopted from now on will be inherited by the new government. Consultations with all sectors of national life is an urgent priority. This will avoid repetition of past errors and will lessen the chance that other may occur in the future.

Endara Interviewed on Meeting

PA1007031094 Panama City Telemetro Television Network in Spanish 2129 GMT 9 Jul 94

[Interview with President Guillermo Endara by Telemetro Television news director Dorita de Reyna at the Palace of the Herons in Panama City—live]

[Text] [Reyna] This is a live interview with Panamanian President Guillermo Endara Galimany. Thank you, Mr. President. Good afternoon.

[Endara] Good afternoon. Thank you.

[Reyna] We are going to speak with the president following his meeting with Sol Linowitz and Michael Kozak, personal representatives of President Bill Clinton. Mr. President, you had a lengthy meeting with them today, including a lunch that lasted approximately three hours. Why did President Clinton's representatives come here?

[Endara] They came to do exactly what Vice President Gore had told me. As you know, President Clinton is in Italy. Vice President Gore called me yesterday to tell me that he, that the United States, believes there has been a misunderstanding between the United States and Panama and that they believe perhaps they are to blame because of the behavior of some of their representatives.

[Reyna] This is in relation to the Haitian refugee case?

[Endara] Yes, regarding what happened during the first three or four days of this week.

Vice President Gore told me that at the request of President Clinton, he first wanted to assure me that good relations between the United States and Panama are necessary because this is a very important period, the period for the transfer of the Panama Canal.

[Reyna] These important representatives came and met with you for so many hours only to apologize? Or have they asked you to reconsider your decision on the Haitians?

[Endara] They did not come to apologize in the traditional sense. They came to clear up the situation, to talk about the good friendship that must exist between our countries. We talked a long time about our relations.

[Reyna] What about the refugees case?

[Endara] At the beginning they were hesitant to discuss it. I sensed that perhaps they believed I would be upset if we were to discuss the issue.

[Reyna] Did they bring it up eventually?

[Endara] They did in a very subtle, diplomatic way. They brought it up, and I had no objection to discussing the issue. I reiterated to them that Thursday I decided to withdraw the offer, which I had already withdrawn publicly. I told them that the Panamanians and many foreigners know one of my personality traits; that is, when I make a decision, the chances of me changing my mind are very remote. When I made the decision to give asylum to the Haitians, I did so firmly and in good faith because I felt it was my moral duty to do that as president of Panama and of all Panamanians.

I sensed that public opinion was against this, but I had a moral conviction about this, and the bishops have mentioned it.

[Reyna] But Mr. President, considering that you have decided not to receive the refugees, and now they have brought up the issue again, haven't they asked you to reconsider?

[Endara] No, not exactly, but I ....

[Reyna, interrupting] But are you willing to reconsider?

[Endara] I told them it would be very difficult for me to reconsider because of the way I am.

[Reyna] What does it depend on? What would it take for you to reverse your decision?

[Endara] I told them that for me to change, even contemplate changing, there would first have to be a national agreement; a national agreement where everyone understood what all of this is about. In addition, there would not be so much disinformation surrounding the issue, such as that the Haitians are coming to take away jobs, they are coming to take our livelihood away, to steal, to practice voodoo. All of these are mistaken beliefs because all of those things were contemplated in the agreement. This agreement was....[pauses] Additionally, I believe or believed that with the assistance of the bishops who issued a communique yesterday, a pastoral letter—which, by the way, I have not read because the media have not made it public—supporting my original decision, I believe that if there were a great national agreement....[pauses] I would like to add something very important about this national agreement. The president-elect must be a major part of this national agreement, because even though I will be responsible to history and the people for signing it—but I insist that the offer has been completely withdrawn—if I sign those agreements, the aftermath of that decision would be handled by Mr. Ernesto Perez Balladares because he is the incoming president. That is why it was so important for me to speak to him on Monday immediately following my talks on Saturday and Sunday with the U.S. Government officials and the United Nations, to consult him on Saturday morning [as heard] on this issue. Now he has reversed the situation as relates to his participation. I cannot accept a national agreement without Dr. Perez Balladares' consent. He will be president when most of this agreement is executed.

[Reyna] But Mr. President, suppose you pass the decision to Dr. Perez Balladares; in other words, suppose you ask Dr. Perez Balladares to express his opinion on what to do with the Haitians?

[Endara] I would not ask him anything. I just told the North Americans that I would reconsider only if there were a great national agreement.

[Reyna] How could such an agreement be reached? It would be very difficult.

[Endara] Personally speaking, I think it would be very difficult too.

[Reyna] So the North Americans were satisfied with your response?

[Endara] They themselves said they had not come with that subject in mind. The subject emerged incidentally, and they tried to introduce it very carefully. I thank them for their tact. I did not mind talking about the subject, although it came about incidentally.

[Reyna] Friendly television viewers, the Haitian case seems to be a closed chapter because, as you say, the president would reconsider only through an agreement, and it would be very difficult to form a national agreement in such a short time.

There are several aspects to this issue of the Haitians, Mr. President. You have opened several fronts. One is the disagreements with President Bill Clinton, which apparently were resolved today. The other is the disagreements with the incoming administration of Perez Balladares. How will you settle these disagreements? First you said you had dug up the hatchet. Then, down on the stairs, you said the president-elect sent you a messenger to tell you if you buried the hatchet, so would he. But the disagreements seem to persist. In fact, remarks to the media today indicate that disagreements persist between the incoming administration and your administration. There are even disagreements in the transition commission. It seems the Haitian case has

served as a pretext, excuse, or argument for the disagreements in the transition team to emerge. Is that true?

[Endara] I think we might be losing perspective here. First, I would not say that President-elect Perez Balladares sent me a messenger. I think this messenger came on his own. I am not sure. Anyway, this messenger came with a proposal. He told me: On this subject of an eye for an eye and a tooth for a tooth, Perez Balladares said he has buried the hatchet, so what about you burying yours? I said: Glad to. It is already buried. I think this is the only disagreement.

I think we are maintaining excellent relations in terms of the transition. I think the transition is progressing well. We are experiencing something totally new in Panama. In fact, the Carter group offered to send us an adviser, someone with all the experience the United States has, but the transition group responded: Mr. Carter, thank you very much, but we are working so well here that we think someone from abroad would most likely ruin it. Then there is the transition group. That is something new in Panama. It is handling things well. They are different groups, and naturally there will be differences, but the report I have is good, very good.

[Reyna] Well, this is all good news, friendly viewers. Apparently the differences between the incoming administration and the Endara administration have been overcome today, as have the differences that emerged with the U.S. Government over the Panamanian Government's initial decision to receive 10,000 Haitian refugees. From what the president just said here live, everything seems to indicate that the Haitian refugees are not going to come. Everything also appears to indicate that the transition from the current administration to the incoming administration will continue without any major consequences. Thank you very much, friendly viewers.

Endara Holds News Conference

PA1007032394 Panama City Telemetro Television Network in Spanish 2040 GMT 9 Jul 94

[News conference by President Guillermo Endara with unidentified reporters at the Palace of the Herons in Panama City—live]

[Text] [Endara] You are all working very hard this Saturday.

[Reporters] [Words indistinct] What happened during the meeting, Mr. President?

[Endara] The objective of this meeting with Sol Linowitz and Mike Kozac, accompanied, of course, by the U.S. charge d'affairs, was precisely what Vice President Al Gore had advised me of earlier. Vice President Gore believes, based on what I told him, the United States, rather, the representatives of the United States, had not behaved as representatives of a world power that respects others and wants others to respect it. He offered to send Sol Linowitz, and it turns out he also sent Mike Kozac, who is a great friend of mine and a great friend of Panama, basically to close any wound that could have been opened during this negotiation process and the subsequent misunderstandings. The meeting was basically to discuss that. We had lunch and discussed many other general issues about America, the governments of our America, the presidents who have left office and those who have taken office, President Clinton's personality, Vice President Gore's personality, and so on. The meeting addressed a wide range of issues. I know now you are interested in knowing about the Haitians.

[Reporter] Will you maintain present position?

[Endara] Just a minute. We discussed the Haitian issue only incidentally. It was not the central issue of our conversation. I told them I had reached a decision, and that decision was to withdraw my offer. As the Panamanians already know, when I make up my mind I am even guilty of being stubborn, because I do not change it later. I told them that I was not going to change my decision to withdraw the offer and that the only hypothetical possibility that could make me reconsider is if there is a broad, national agreement. If all sectors of Panamanian society were to agree it is their moral obligation to help the Haitian people, as the Bishops have said—by the way, I have not seen any newspaper or media reports on what the Episcopal Conference has stated about the Haitian issue and the moral obligation we Panamanians have to help them, as the Good Samaritan did, no matter how ugly the person may be or how different their customs are, the Good Samaritan helped him—if the Panamanian people agree that what the Bishops have said is right, if there is a broad, national agreement [quote] if all groups—unions, businessmen, and everyone—agreed that this is what should be done, I might—might—begin to reconsider; otherwise no. I must add something else: That great national agreement must include the new government.

I signed the order, because I am the president. I agreed on this order, because I am the president. I am making the basic decisions, because I am the president now and will continue to be until 1 September. If this agreement were to be signed, most of its effects, or all of its effects, would fall on the incoming government. So, in addition to a great national agreement, the new government would necessarily have to be a part of the final decision. It is useless to ask me to change my position on the issue if that national agreement does not come to pass or if Mr. Perez Balladares disagrees with it. My position will not change. I uphold my withdrawal of the offer, as announced on Thursday.

[Reporter] Are you just presenting the idea at this time?

[Endara] No. I am not presenting any ideas. I presented the idea on Monday. I was very enthusiastic about the whole thing, although I knew there was going to be opposition. I thought that with the help of the bishops and the president-elect, we could explain the ethical

obligation there is to help our persecuted brother, our wounded brother. I thought we could talk to the Panamanian people, because Panamanians are a good people, but with unfounded fears. They fear such things as: They will take my job away and the bread from my table. All of these fears are unfounded. No one read the communique I issued on Monday, so the communique has been withdrawn, because I withdrew my offer.

[Reporter] [Words indistinct] economic pressures?

[Endara] No. What those gentlemen came to assure me of is that the U.S. big stick policy—they did not use that word—has changed. The United States no longer uses pressure. The United States used no pressure for five years until this caveman [troglodita] arrived the other day.

[Reporter] Did this meeting reinforce diplomatic relations?

[Endara] Tremendously. I am very pleased to see the U.S. Government regards me and Panama as important enough to send us an envoy specifically to apologize to us for any wrong action U.S. representatives may have committed. I am really pleased, and Panamanians in general should be very pleased, because the United States has scored a goal.

[Reporter] [Words indistinct]

[Endara] No. The pressures came from one of their representatives. As I have said before, they have never tried to pressure me. I am satisfied.

[Reporter] Could Haitians come to U.S. bases without Panama's consent?

[Endara] I believe the United States is clear on this issue. They cannot use the bases without Panama's consent. I am sure the United States will not violate the treaties and will not do such a thing. I am sure of that. These gentlemen did not come here to tell me that, but based on the manner of their conduct, I am more convinced now the United States will not do that.

[Reporter] Do frictions with the president-elect persist?

[Endara] I do not know whether I should tell you this, but I will anyway. You know I am very frank. Yesterday I received a very good friend of mine, who is also a very good friend of the president-elect. Don't ask me who that person is because I will not tell you. Anyway, that person said he had spoken with the president-elect and that he sent me an offer, through this emissary, to bury his hatchet if I buried mine. Consequently, I buried my hatchet from that moment on. Let's hope that he doesn't dig his hatchet out, because if he does, I will dig mine out too. I keep mine buried, however, because I have much respect for him. He is our next president. We owe him respect as the top official of the Panamanian nation, and I am happy he buried his hatchet, because mine is too.

[Reporter] Will your wife bury her hatchet too?

[Endara] I want you to tell me: Who can control Ana Mae? I cannot guarantee anyone I will control Ana Mae. I would say I believe Ana Mae has also buried her hatchet, but I cannot guarantee it. [laughter]

[Reporter] Do you agree with the use of military bases in Panama to invade Haiti?

[Endara] No. Remember that Panama, the current Panamanian Government, maintains that we must endorse the note of Foreign Minister de Obaldia... [pauses] I said the other day it was written in 1913, but it was actually written in 1904. Foreign Minister de Obaldia established the traditional foreign policy that all governments, except the dictatorship, have followed. This policy is based on the concept U.S. military bases can only be used to defend the canal, for nothing else, absolutely nothing else. I will tell you one more thing. The use of military bases to invade Haiti is almost impossible. I will explain why. Because the last combat troops that were in Panama already left. The other day we bad farewell to the last group of combat troops. What brigade was it? The 193rd Brigade. It was a fraternal goodbye, but at the same time we were happy to see them leave.

[Reporter] Mr. President, is an invasion imminent, as has been rumored?

[Endara] I do not know, I do not know. That does not depend on me, and I do not know anything about that.

[Reporter] Has Panama's image been improved after this meeting?

[Endara] I believe Panama's image has always been good. Panama has a good image. Why? Because it was seen internationally that we have tried to perform a unique act of solidarity. The fact is what Panama was willing to do, until the incidents that occurred, would not have been done by any country of the world. Many other countries—I do not want to mention names—have been asked, and they have not dared; they do not have the moral awareness that Panama felt. Panama should feel pride over and be proud of its international image, at having been willing to carry out this act. It rejected it only due to a series of acts that I was dutybound to reject. That is the situation, but I believe our image has surfaced very well.

[Reporter] Why can you not control Ana Mae, Mr. President. Why can you not control Ana Mae?

[Endara] Can you control your wife? [laughs] Can you guarantee your wife is not going to speak out against Toro Balladares? [laughs]

[Reporter] What is your final observation about what this entire situation regarding Haiti has signified? How has it stirred up the Panamanian climate, so to speak? How would you describe it?

[Endara] I believe, fundamentally, it has caused a negative reaction. Many of those reactions were totally unjustified. I am going to refer to a friend of mine, a very good

friend of mine, Ricardo Duran, president of the Chamber of Commerce and of whom I am very fond. We have been friends for two generations, because his mother and my mother were very good friends, so we have a good friendship. For example, I understand he did not read my communique, because he said Panamanians were going to lose their job. I can tell he did not read my communique. No Panamanian was going to lose his job. What he did not know is that, according to the agreements we had reached, the 10,000 Haitians were going to spend the day drinking Duran coffee. He was going to sell a bunch of coffee and was going to make a lot of money; the man did not realize any of that. So poor Ricardo Duran, who did not read the communique, has missed an opportunity to make an enormous amount of money and sell a tremendous amount of coffee. [laughs]

Endara Interviewed on Refugees, U.S. Ties

PA1007223194 Panama City Radio KW Continente in Spanish 2130 GMT 10 Jul 94

[Interview with President Guillermo Endara by program host Jenny Lee Martinez at the Palace of the Herons in Panama City on 8 July; from the "Person of the Week" program—recorded]

[Text] [Lee] Radio KW Continente listeners, just as we do every Sunday, today we will introduce our person of the week. Today's guest is President Guillermo Endara. From his office, President Endara will tell us about everything that has happened since he received the request for Panama to receive as many as 10,000 Haitian refugees. Mr. President, what has this week been like for you?

[Endara] It has been a very traumatic week. During my term in office, relations with the United States have been very important. I must add that I have never had serious problems with the United States. I have had to resolve great problems, but until now I had never been pressured, ill treated, or experienced uncalled for insinuations and intimidation from the United States. For example, Ambassador Deane Hinton's arrival in Panama was preceded by word that he was always scolding everyone, that he was a disagreeable person, and that he was difficult to deal with. However, my relations with him were excellent. I had very good relations with Ambassador Hinton, and I never felt that I was being pressured by him. When he was told no, he would insist a bit, but in a nice way. But when it was no, it was no.

This time, Saturday and Sunday were good days. President Clinton sent a very good, persuasive, nice, and respectful representative, and we made a great deal of progress, so much that...

[Lee, interrupting] But there were others who were not so...

[Endara, interrupting] Right. On Monday, things began to change. On Monday, I was told that they needed six military bases, after I had already said no to this. They kept insisting, saying I had to approve six bases. They started pressuring me to approve six bases, and I said: No, no, no, no. In the end, they used a laughable tactic. They told me: The problem, Mr. President, is that the report President Clinton received was that you had agreed to six bases, and if President Clinton now finds out that you disapprove, he will not like it. I said: Really? Then tell those people who told President Clinton this lie that they better tell him the truth, because I do not give a damn [bledo] if President Clinton is upset because of a lie his advisers told him.

On Tuesday, President Clinton called to talk about the issue. I explained my position and told him the three main reasons why I did not want them [the Haitians] on the bases. When I finished, President Clinton said: I understand, President Endara. There is no problem. Let us move on, because I understand. There will be no problem.

[Lee] Mr. President, according to the United Nations and the agreements, there are some who are wondering why you told the media that you were going to accept the Haitian refugees when you had not signed an agreement?

[Endara] Because on Saturday and Monday, we had made a great deal of progress. On Saturday and Sunday, we made a great deal of progress. We thought that in a matter of days this would be done. You must remember that Foreign Minister Mulino left on a trip today, Friday. We kept reminding them that Foreign Minister Mulino was leaving on Friday, and if documents had to be drafted.... [pauses] we had to draft a document. One of the things we agreed to was that if there was nothing on paper and nothing signed, then there was no agreement. You can forget any so-called gentleman's agreements.

We have learned enough with the United States to know we must demand that things be absolutely written in black and white and signed. They told us that would be quite easy to do and could be done in no time flat, because fundamental agreements already exist, and we would only have to change the name of the agreement and so forth, because the United Nations has ample experience in these matters.

[Lee] Do you believe there was deceit on their part?

[Endara] I believe the deceit came later, because on 4 July they came up with the issue of the bases, an issue which I cleared up with President Clinton on 5 July. An impertinent individual arrived on 6 July, however. He thought he was a proconsul of the North American empire who was in Panama to talk with a banana republic president, a subject of the empire. He tried to impose his views on us and presented us with the draft of an agreement that was totally different to what we had discussed on 2 and 3 July.

He spoke first with the three ministers who remained at my side throughout the entire process, and they rejected the plan, saying no. After that, he tried to intimidate me. He.... [pauses] They requested my permission to come to

the Presidency late on 6 July, and they arrived at about 2300. This gentleman tried to impose the agreement on me by force. The initial agreement was with the United States, not the United Nations. That man was very rude. In fact, I am sorry now I did not ask him to leave, because he did not deserve to be at this Presidency, and he will never enter this Presidency again.

[Lee] Mr. President, relations with the incoming government of Ernesto Perez Balladares seem to have been affected by this situation.

[Endara] Yes. They have deteriorated, because it turned out that Mr. Perez Balladares is a hypocrite and a liar. When I saw how fast the situation was moving on 3 July, I decided early the morning of 4 July to consult with Perez Balladares. I called him in Hong Kong and relayed the entire situation, consulting with him. Had he told me: Look, President Endara, what you are doing is madness, and I do not agree with you at all, I would not have gone ahead with it, because, after all, this agreement would affect him more than it would affect me. I would have called the Americans and told them I am very sorry. I spoke with Dr. Perez Balladares, however, and he disagrees, and I cannot sign an agreement with which he will have to deal.

The truth, truth, truth is I related the entire situation to Perez Balladares, and he told me he agreed and supported me; moreover, he asked me to explain two points: the maximum number of Haitians who would be admitted and the issue of how long they would stay.

[Lee] Do you believe Perez Balladares would have accepted the U.S. conditions if his administration were in office?

[Endara] Look, judging by the actions of Perez Balladares' foreign minister, who is a submissive yes-man [previous word in English] for the gringos, not only would he have agreed but would have admitted hundreds of thousands of Haitians onto the bases.

[Lee] Are they nationalists?

[Endara] I do not know about the president, but I doubt his foreign minister is a nationalist.

[Lee] Mr. President, with regard to the Haitian crisis in Panama and these days of protest, do you believe there is racism in Panama?

[Endara] I believe there is in Panama a.... [pauses] Let us put it this way. Panama's general public was subjected to a test of ethics, a test to establish whether we are truly Christians. We participate in processions, attend mass, commune, and all of that. The real test lies, however, in our charity toward neighbors, and the Haitian people are our neighbors.

Even if they are black, do not speak Spanish, are on the ugly side, are sick, and have different religious beliefs, they are our brethren, and we must love them as God loved and still loves us. We were submitted to a test, and the majority of the public—I am ashamed to admit—did not pass the test.

We were saved by the fact the gringos behaved poorly, and I had to say no due to national dignity. I am truly concerned, however, over this lack of charity, this inability to commiserate with our brothers. These people were not coming here to walk down our streets or take jobs away from Panamanians. These people were going to be in a political refugee camp. They were not going to cost us one nickel. All of their expenses were going to be paid, and we were not going to be harmed in any way whatsoever.

If we had suffered any harm, the United Nations, with the United States as a guarantor, would have given us indemnification. There would have been benefits even for those selfish individuals who are thinking only of their own pockets. Why? Because the food these 10,000 Haitians were going to consume was Panamanian food. I could have told my good friend Ricardo Duran [president of the Chamber of Commerce and owner of the Duran Coffee Company], who was staunchly opposed to the move, that those 10,000 Haitians would have been drinking Duran brand coffee. He would have benefited from this and would not have been harmed in any way. Panama would not have been harmed in any way; on the contrary, Panama would have received benefits. They were going to hire Panamanian workers. There is much unemployment here, and Panamanian workers would have been able to find a job there.

[Lee] How do you feel, Mr. President, after giving your word on 4 July and then having to change it?

[Endara] I did not change it. I did not change it. What occurred is that the U.S. representatives were so rude and exerted so much pressure that there was no way to reach an agreement with them. I said I was withdrawing my offer. I did not change my position, because I still support the Haitians, but I cannot negotiate this issue with the United States. I do not want a repeat performance of this past Monday, Tuesday, Wednesday, and the morning of Thursday. I never want to experience a similar situation ever again. I do not want to experience that ever again, and I hope they will never make a similar proposal ever again.

[Lee] There are now differences between you and President-elect Balladares over what happened a few minutes ago, but people are wondering what the United States is going to do. International news reports claim they are studying your decision....

[Endara, interrupting] My decision?

[Lee] Yes, your decision to withdraw your offer.

[Endara] They can study it all they want, because I already withdrew my offer.

[Lee] Do you believe this can affect relations during the time remaining in your administration?

[Endara] I do not believe so. I believe they will feel disappointed, because they thought I was a fool who could be intimidated by an individual like this Mr. Bearce who came to intimidate and pressure me. Perhaps they thought I was a fool, but it turned out I was not as big a fool as they thought. They may be disappointed they did not find a fool or a subordinate. They found I did not let one of their proconsuls push me around.

[Lee] There is much talk about the humanitarian aspect of this issue. What do you have to say about this topic?

[Endara] I believe we should not talk about humanitarianism but, rather, of charity, but not charity as understood by the majority. Many people believe charity is to give beggars a dime or a plate of food to a hungry person. No. Charity is much broader. In the final analysis, charity means love for one's fellow man.

[Lee] You believe the majority of Panamanians are not charitable?

[Endara] I believe we Panamanians were tested. God sent us this test. God sent it to us.

The Lord tells us one never knows what the outcome of this affair could be. God tested us, and we did not pass; we did not pass. I sincerely believe Panamanians must meditate about their kindness and see if they really love God. Jesus Christ taught us He himself is within those who suffer. When the Panamanians or Panamanian public opinion rejected those Haitians, they rejected God. We failed this test God put before us. I hope God will not send us a punishment for this, because God is merciful, and I believe He loves Panama very much. I hope we are not punished.

The majority of Panamanians who did not want the Haitians were tested, and they failed. I believe Panamanians must pray the Lord does not treat them as He treated the Jewish people. According to the Old Testament, God subjected the Israelites to many tests, and they failed every one. Then it shows us how God punished them with the worst punishments. The entire population was exiled to Babylon. The poor Jewish people were subjected to all kinds of punishments.

Let us pray to the Lord that He will be merciful to us. Let us ask Him to forgive us for this collective sin of rejecting Him in the form of those 10,000 Haitians we did not want to receive. We are not going to receive those Haitians for other reasons, because I was ready to go to the end due to my Christian conviction.

Endara Views Perez Balladares' Haiti Remarks

PA0807182894 Panama City TVN Television Network in Spanish 1721 GMT 8 Jul 94

[Interview with President Guillermo Endara by reporter Ricardo Samaniego at the Palace of the Herons in Panama City; from the "TVN Midday News" newscast—live]

[Text] [30-second break in reception] [Endara] His remarks prove he is a hypocrite and demagogue. Why a hypocrite? Because after I conducted the negotiations on 2 and 3 July, including the negotiations on 2 July with the United Nations, before informing anyone else, before it even occurred to me to make public a announcement, I wanted to talk to the president-elect, because I knew the agreement I was negotiating would affect him. I called him to consult with him. To do so, of course, I had to report what had happened over the weekend. The president-elect supports an agreement. I do not recall his exact words, because I do not have a photographic memory, but this was his reaction. It was a consultation, not a notification.

He asked me to explain two things that would affect him. He asked me to explain the maximum number of Haitians who would be admitted, and he asked about the maximum time they would be allowed to stay. These two matters were sources of concern for him, because he would have to deal with them.

I told Mr. Perez Balladares that he was absolutely right and that the two issues would be resolved. Now he is saying that I only notified him and that he never agreed.

He is a real demagogue, because when I spoke to him on 4 July he never mentioned anything about military bases; he did not mention that. The fact is that he arrived yesterday and he learned about the negative reactions of many national sectors. He is now trying to distance himself from the decision, which he did not make. I made the agreement, but I took his opinion into consideration. I can tell you that if, after I informed or consulted him, he had told me: President Endara, you are making a serious mistake and are going to create a very serious problem for me; please do not do it, you can rest assured I would not have made that decision.

[Samaniego] Members of the PRD [Democratic Revolutionary Party] and even the president-elect have said you made a fool of yourself before the entire world with this decision.

[Endara] I believe the president-elect is the one who is making a fool of himself before the entire world. With the foreign minister he is going to have, he will constantly be making a fool of himself, because he evidently has sold out to the powerful United States. He has been trying to create a good impression in the United States so that country will see what a good foreign minister Panama is going to have: a complacent yes-man [previous word in English].

He also came to the rescue of his own interests, because he has an interest in the island of Contadora. When he heard we were discussing San Jose Island, which is also in Las Perlas Archipelago, he thought of his own interests. He totally disregarded the harm he was doing to Panama's dignity, to its traditional foreign policy since the Obaldia message, when we first became a Republic. He did not take the treaties into consideration when he

proposed using the military bases to confuse the general public and confound the negotiations.

[Samaniego] You have been accused during your presidential term of being a yes-man [preceding word in English]; in other words, that you say yes to everything the United States proposes. Did you find it difficult to say no this time?

[Endara] I am not a yes-man, but maybe the other man is. I have said no to the United States on many occasions. I can say I have never felt any U.S. pressure during the five years I have been in the Presidency.

We had a U.S. ambassador whose name was Deane Hinton, for whom I have a great affection. He was regarded as an arrogant, hostile, old man, but to me he was an excellent person. I am very fond of him. I was respected while he was here; the Republic of Panama was respected as a sovereign nation. I may have said no to Hinton many times. There were U.S. proposals to which I replied no, and there are many witnesses who can confirm that. Ambassador Hinton may have courteously tried to persuade me, but he never tried to pressure me. I never felt pressured.

I felt a terrible pressure this time, however, a terrible, offensive pressure, a pressure that I believe.... [pauses] Some of the terms used were offensive to me, not as Guillermo Endara, as I try to be a humble man. I do not think too much of myself, but I am the president of the Republic, and, therefore, I represent the majesty of the Panamanian nation. When I received that treatment, I did not see it as a personal offense but, rather, as an offense against what I represent as a Panamanian. That is something I cannot and will not tolerate. During the past three or four days, I felt for the first time that the United States was pressuring me, not just pressuring, but humiliating me.

[Samaniego] Mr. President. Reports from Washington on the Haitian refugees issue have said Bill Clinton looked for the president who owed the most favors to the United States. Those same reports indicate that Guillermo Endara may have never become president of the Republic without a U.S. invasion and that he had to pay back the favor.

[Endara] That is not true. I have never felt I owe the Presidency to the United States. That has been my position during all the years of my administration. I became president of the Republic because there were elections here on 7 May 1989, elections in which I obtained 70 percent of the votes. Seventy! This man only got 33 percent; therefore, I feel proud to be a president whom the Panamanian people, not the gringos, elected.

[Samaniego] People are afraid the Haitians may still arrive even though you withdrew your offer. As president of the Republic, can you guarantee this will not happen?

[Endara] I cannot guarantee anything, but I am sure the United States will not do anything against the Panamanian Government's will and, obviously, against the Panamanian people's will. I am sure of that. If it does happen, I will review the situation and I will seek good advice to give a strong reply, a very strong reply. I insist, however, I do not believe the United States will do that.

[Samaniego] Do you believe the next government could accept them?

[Endara] Accept? I do not know. Judging from the future foreign minister's attitude, it seems he would accept practically anything the United States proposes.

Justice Minister: U.S. Failed To Comply With Offer

PA0807222694 Panama City Radio KW Continente in Spanish 2154 GMT 8 Jul 94

[Report by Katia Martinez]

[Text] Government and Justice Minister Jacobo Salas has said that our government would not be to blame if relations between Panama and the United States decline as a result of President Guillermo Endara's withdrawal of his offer to accept Haitian refugees in the country. The minister said that with this decision, President Endara has enhanced the dignity of the fatherland.

[Begin Salas recording] This would not be our fault. The president made an offer, and the other side would not comply with what was offered. We have to protect the fatherland's dignity. [end recording]

He added that the president made the most logical and suitable decision.

[Begin Salas recording] The president has reported exactly what happened. The other side did not comply with the offer made by the president. I think the president responded in the most logical way possible. [end recording]

Perez Balladares Conditions Accepting Haitians

PA1007202694 Panama City TVN Television Network in Spanish 1925 GMT 10 Jul 94

[Report by Ricardo Samaniego]

[Text] Dr. Ernesto Perez Balladares, president-elect of the Republic of Panama, today began an international tour. Before departing, he spoke to reporters at Tocumen International Airport, where he released a communique. In the communique he says that in light of efforts being made to receive in Panama groups of Haitians who are fleeing their country, and after calm and thorough consultations with his advisers and his party on this issue, while being motivated by deep humanitarian concern and wanting to help resolve the Haitian crisis, he wants to make his position public:

If I were president, I would accept the Haitians under the following conditions:

1. The Haitians, whose maximum number is to be agreed upon—a number that can be handled under these conditions, provided they are previously certified as being healthy—could remain in Panama for a period of time not exceeding six months, as long as the U.S. Government guarantees the Haitians' departure from our country.

2. These Haitians must remain in Panama in places that are distant from our population centers and must remain under the primary control and responsibility of the U.S. Government and U.S. Army, which would have full control over the Haitians' movements—in other words, limiting their freedom of movement in order to guarantee their security and their wellbeing, while, at the same time, guaranteeing the security of Panamanians. Panama would periodically verify compliance with this condition.

3. The U.S. Government is to be held responsible for any damage or harm to our country or to our inhabitants as a consequence of the presence of Haitians in Panamanian territory.

According to Perez Balladares, the decision has as its central issue concern for Panama's national interests and a willingness to comply to with the altruistic intentions of the international community represented by the United Nations, and in which the United States—a country with which we have very special ties—has taken the leadership to resolve a problem that has to do with all of us—to reestablish democracy in Haiti and respect for the human rights of the Haitian people.

Perez Balladares' communique ends by saying: This is a noble effort to which we give our best contribution.

Welcomes Haitians To Avert Invasion

PA1007213394 Hamburg DPA in Spanish 2017 GMT 10 Jul 94

[Excerpt] Panama City, 10 Jul (DPA)—Panamanian President-elect Ernesto Perez Balladares today announced that his government would welcome a limited number of Haitian refugees for humanitarian reasons to avert a possible invasion of Haiti.

Perez Balladares made the announcement before departing the country to meet with U.S. President Bill Clinton as part of a tour that will take him to Europe, the United States, and Mexico. He plans to meet with presidents, leaders, and business and banking representatives at each stop.

Perez Balladares said if he were president of Panama today, Haitian refugees would already be arriving at military bases near the Panama Canal. He said the Haitian problem, as well as the resolution of the problem, concerns all of Latin America, because, "if we leave the ball in the United States' court, we would be taking part in an invasion" of Haiti. [passage omitted]

Urges Humane Conditions for Refugees

PA1107000994 Panama City TVN Television Network in Spanish 2200 GMT 10 Jul 94

[From the "Information Minute" newscast]

[Excerpts] Dr. Ernesto Perez Balladares, president-elect of the Republic of Panama, began an international tour today. Before departing, he spoke to reporters at Tocumen International Airport:

[Passage omitted] [Begin Perez Balladares recording] We are properly and clearly explaining to the people of Panama how these individuals would be arriving here, where they would be located, under what controls, and they will not be able to move about.

It is not that these people are arriving in Panama City today and moving to Santiago tomorrow. They would not be able to leave, because they would be staying in what would basically be a prison. Yes, they would have humane conditions, but not the conditions under which you, I, or the average Panamanian would want to live. They will live in tents during the harsh rainy season, which is approaching in Panama. They will have makeshift toilet facilities and will live with the health services an army can provide. They will live under better conditions than those under which they are living in Haiti now, but not under conditions to remain here. This is a humanitarian gesture I believe will speak highly of our country and our people. [end recording]

Foreign Minister-Designate Responds to Endara

PA0807222794 Panama City Circuito RPC Radio in Spanish 2132 GMT 8 Jul 94

[Report by Eduardo Lim Yen Licuona]

[Text] We have reaction from Foreign Minister-designate Gabriel Lewis Galindo to statements made at noon by President Guillermo Endara, who said Lewis Galindo had sold out to the U.S. Government in connection with the Haitian affair.

[Begin recording] [Lewis Galindo] I will be perfectly frank. I have great respect for the office of president and do not wish to reply to President Endara's rudeness because, as I said before, I respect the office. Nevertheless, the Panamanian people will decide whether I have sold out to the United States. I have only devoted my life to serving my country and the noble causes of our people.

[Lim Yen] Does this sort of attitude affect the work of the government transition team?

[Galindo Lewis] Indeed. I think we need to stop this mudslinging. This does not benefit Panama either domestically or abroad. I think all this rudeness should

be stopped and that we Panamanians should dedicate ourselves to working for the good of our fatherland. [end recording]

That was Foreign Minister-designate Gabriel Lewis Galindo commenting on statements made at noon by President Guillermo Endara, who referred to Dr. Ernesto Perez Balladares and Lewis Galindo as hypocrites. Endara also described them as demagogues and liars.

Ministers Back Endara; PRD, U.S. Criticized

PA0907014394 Panama City TVN Television Network in Spanish 0000 GMT 9 Jul 94

[From the "TVN News" newscast]

[Text] President Guillermo Endara's cabinet ministers went to the palace today to express their support for the president. All of President Endara's ministers appeared at the Presidential Palace this afternoon to express their solid support for President Endara, who has been harshly criticized by President-elect Ernesto Perez Balladares after withdrawing the offer to receive up to 10,000 Haitian refugees in Panama. Delia Cardenas, Planning and Economic Policy minister, had this to say:

[Begin Cardenas recording] As a Panamanian, as well as a minister who is part of President Endara's cabinet, I feel very proud of his clear, firm, reasoned, and, above all, patriotic stand. I regret very much that the person who is going to hold the post of president does not set a good example by respecting the current president, who at all times has shown a sense of humanity, respect, and how should I say it—a clear line of conduct. I think the statements made by members of the new government have been rash. I can tell you that, as of 1 September when I become part of the private sector, we will be very attentive and alert to prevent the problem that ended yesterday from not being repeated. [end recording]

Meanwhile, Finance and Treasury Minister Victor Juliao said the following:

[Begin Juliao recording] It appears as if they are trying to confuse the public and humiliate our president with their statement about the president being the object of international ridicule. The international ridicule has come from the North Americans, the president-elect, and the foreign minister-designate. We have maintained a very firm position. The rules had been spelled out very clearly.

When the president accepted the arrival of the Haitian refugees in Panama, he explained what the conditions were. The conditions were that the refugees had to stay on an island; that they could not stay on a military base, because this would violate the treaties; that the agreement had to be with the United Nations; and that the United States could be a guarantor of the operation. The United States, however, insisted on using the military bases and maneuvered, through members of the PRD [Democratic Revolutionary Party], in an attempt to pressure our president into capitulating and permitting the arrival of the Haitians on the military bases.

President Endara's position has been firm, and he displayed this a few seconds ago. What the president has said is something of which all patriotic Panamanians must be proud. [end recording]

Haitian Envoy Says Government Not Consulted

PA0807202394 Panama City Telemetro Television Network in Spanish 1730 GMT 8 Jul 94

[From the "Telemetro Reports" newscast]

[Excerpt] [Passage omitted] (George Barberrousse) represents the Haitian Government in exile. Here are his statements regarding the position assumed by the Panamanian Government:

[Begin (Barberrousse) recording, in French with superimposed translation into Spanish] Since the beginning of this affair, we have insisted this is a decision directly involving the governments of the United States and the Republic of Panama. They are the ones who have discussed this matter from the beginning.

Even though the Haitian Embassy is interested in this issue, at no time has it been consulted on this matter. Following President Endara's statements, we are now trying to contact Haiti's constitutional government to await instructions. [end recording]

Remarks on Refugees

PA0807161594 Panama City Radio KW Continente in Spanish 1515 GMT 8 Jul 94

[Report by Miriam Mercedes Valdes from the Haitian Embassy in Panama City—live]

[Text] The president's decision not to accept 10,000 Haitians in the country has prompted the U.S. Government to seek shelter for Haitian refugees in other countries. In this regard, Haitian Ambassador (George Barberrouse), through his interpreter, Victor Caballero, has told KW Continente he has reports indicating the United States has approached other Caribbean areas, but no specific results have been accomplished:

[Begin (Barberrouse) recording, in French fading into Spanish translation] I believe the refugee problem must be dealt with with care. We must take into account the fact that these Haitians fleeing the country are fleeing military repression. We must note something that is very important, however: These Haitians, in reality, did not want to come to Panama. They were being forced to come to Panama, and this may have complicated matters, had they been forced to come to Panama.

In any case, the real problem is these people did not want to come to Panama. Their real interest was to travel to the United States, and they were being forced to come to Panama. [end recording]

The Haitian ambassador has told KW Continente they understood perfectly the Panamanian people's refusal to accept the arrival of the 10,000 Haitians due to the economic and financial situation through which our country is going.

Chamber Confirms Ships Violating UN Embargo on Haiti

PA1007153294 Panama City LA PRENSA in Spanish 10 Jul 94 p 3A

[Report by Vilma E. Figueroa B.; all decree numbers as published]

[Text] The Panamanian Chamber of Commerce reported yesterday that ships are still sailing to Haiti with cargo specifically banned by the embargo in flagrant violation of the UN embargo and Executive Decree No. 303, which establishes the Panamanian embargo.

This was reported in a note signed by Chamber President Ricardo Duran, which is considered a summary of a letter by Foreign Minister Raul Mulino referring to the general embargo against the Republic of Haiti and the possible violations of the embargo.

Executive Decree No. 134 dated 3 June 1994 and published in the Official Gazette broadens this embargo but excludes "supplies that are strictly for medical use and foodstuffs."

The note sent to all Chamber of Commerce members confirms that sanctions approved in multinational forums, which received full support from Panama at the time they were approved, are being violated. The note does not identify the kind of merchandise leaving Panama bound for Haiti or the people responsible for violating the international agreements, including the trade embargo. Nevertheless, the note says the National Port Authority will implement strict measures to prevent such violations.

The "news fax" note sent by Ricardo Duran to businessmen states that Foreign Minister Mulino is asking them to take steps to avoid these international agreements from being violated.

The trade embargo against Haiti, which only excludes medicines and food for humanitarian purposes, was instituted by Official Decree No. 22.449 on 6 January 1994.

Argentina

Government 'Willing To Actively Cooperate' on Haitian Issue

PY0807131594 Madrid EFE in Spanish 2328 GMT 7 Jul 94

[Text] Buenos Aires, 7 Jul (EFE)—Argentine Foreign Minister Guido Di Tella emphasized in Buenos Aires today that the Argentine Government is willing to actively cooperate in a new attempt to restore democracy in Haiti. He did not rule out the possibility of force to achieve this goal.

During a news conference with foreign correspondents, Di Tella pointed out that "the indications are that General (Raoul) Cedras' regime, which gained power through a coup d'etat, will step down on its own," thus rendering an armed international intervention unnecessary.

The minister noted that the government of Argentine President Carlos Menem "would participate in an intervention provided that it is determined by the United Nations and approved by the Argentine Congress."

Di Tella admitted that, as stated yesterday in a Buenos Aires morning daily, this issue was reviewed on 5 July in the Argentine capital with representatives from the U.S. State Department and the U.S. National Security Council (NSC).

Di Tella indicated: "Nevertheless, we did not talk with the U.S. representatives about an invasion of Haiti, but about cooperation measures after the restoration of democracy—like the organization of a judicial branch, the Armed Forces, and security."

The U.S. delegation, which made at least two earlier stopovers in Brazil and Chile, was headed by NSC Adviser Richard Feinberg and Thomas McNamara, the U.S. State Department assistant secretary for political-military affairs.

Di Tella said: "We are on the verge of a UN decision to sponsor a new effort, favoring democracy in Haiti."

Other Argentine Foreign Ministry sources, who asked to remain anonymous, assured EFE today that the tacit deadline for the Haitian military officers to step down "would not pass the middle or end of August."

The Argentine Government is participating in the naval blockade of Haiti, established by the UN Security Council, with a missile-carrying frigate that has been patrolling the Caribbean island's territorial waters since January.

Menem: 'No Problems' With Brazil, Apologizes for Remarks

PY0807164994 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1131 GMT 8 Jul 94

[Text] Buenos Aires, 8 Jul (NA)—President Carlos Menem emphasized today that "there are no problems whatsoever" with Brazil. He made these remarks before the Federal March, comparing the situation in the two countries, "have been misinterpreted."

Menem told Radio America: "There are no troubles, no problems whatsoever. My remarks were based on his own (Itamar Franco's) words, and were not meant as a criticism."

Menem believes his Brazilian counterpart "was hasty" in threatening that he will not attend the upcoming presidents' meeting of Mercosur [Common Market of the South] countries. Menem noted: "If I caused any offense, I am presenting the appropriate apology."

Bolivia

President Evaluates Trip To Peru, Reform Bill, New Laws

PY0807234694 La Paz Television Nacional Network in Spanish 1700 GMT 8 Jul 94

[Text] President Gonzalo Sanchez de Lozada talked to journalists today after returning from Peru yesterday.

[Begin recording] [Reporter Mario Espinoza] President Sanchez de Lozada today granted a long news conference to discuss not only his trip to Peru and the visit to Ilo port and the Bolivia Mar beach with Peruvian President Alberto Fujimori, but other important issues as well. For example, he talked about the educational reform law that was approved and promulgated yesterday, and the constitutional reform bill. President Sanchez de Lozada then said: We are now ready to move on.

[Sanchez de Lozada] The construction of the Rio Seco highway from La Paz to Desaguadero has already been financed. The bidding for this project has already been made. There was a minor problem when one member of the consortium that won the bidding went bankrupt, but the company [passage indistinct]. But coca is not cocaine. A large portion of coca ends up becoming cocaine; this is a process. What we would like to find [words indistinct] that the international community accepts coca as tea.

[Espinoza] These are the issues the president discussed in relation to his trip to Peru: Ilo port, coca, and the relations between Bolivia and Peru. Sanchez de Lozada also discussed other important issues: The reforms.

[Sanchez de Lozada] The guidelines of the constitutional reforms have been approved; the educational reform bill was also approved. I should get on an airplane more often, as it seems that things go better when I am not

here. As I said many times, the agricultural policy has been criticized, but this is the first year. It is a year of sowing and preparation. But we still have two very important projects to be fulfilled [words indistinct]. One of them is the constitutional reform and the other is the administrative decentralization. The next steps will be to have those projects approved and to implement those already approved. The popular participation law has been in force since 1 July; hard work is being carried out on the capitalization. A joint venture agreement will be signed next week with a foreign company. Several other foreign companies are also seeking joint ventures [words indistinct] to cooperate with the negotiations to build the gas pipeline to Brazil and to Chile. The threat of resorting to the Supreme Court on the case of unconstitutionality of the Capitalization Law does not worry us because we know we will win, because we know that no action taken by this government is unconstitutional, especially this law. Another very important issue is the teaching profession. We know that in the long run [words indistinct] they know deep in their hearts that the current situation in the teaching profession must come to an end. The union leaders find themselves vulnerable; they feel the teacher's unions must continue to have absolute control over education. They decide who will be the school directors, the general directors; they run the educational system. Conflicts of interest can no longer exist. And I have the obligation to promulgate the laws. In a democracy one governs with laws approved by Congress, and the executive branch implements and manages them. And these laws are not easy. They are very important laws, they are very revolutionary laws; therefore, they must be drawn up with great care, and require dialogue and agreement. The laws cannot satisfy everyone. People here believe that laws must be unanimously approved, but nothing is unanimous. I am confident that at the people's level, things will work out, but at the privileged people's level, things will not work out. There will be some resistance; some people will complain, some may try to discredit the laws, but we are moving ahead in implementing them. Obviously, there are people who will be affected and they are the ones who don't want anything to change in Bolivia, but the people are asking for changes.

[Espinoza] The president also referred to the harsh criticisms made by the Catholic Church.

[Sanchez de Lozada] I would like to invite Monsignor [words indistinct] the church people should come; we can give them positions as teachers and ministers to start working. They should have the solutions if they believe it is so easy. [end recording]

Roundup of Economic Reports

PY0907013794

[Editorial Report] The following is a compilation of reports on economic activities in Bolivia monitored through 7 July.

The National Chamber of Exporters reported that exports of nontraditional products rose to $67 million between January and May, of which the United States imported $51.7 million, 75 percent of the total. Bolivia exported 90 percent of its textile and manufacturing products to the United States, which is its leading market. (La Paz PRESENCIA in Spanish 26 Jun 94 p 12)

The World Bank will grant various "priority" credits for projects to be implemented by the Bolivian Government. The first credit of $50 million will be used to implement the transition programs included in the structural reforms. A $12 million loan will be designed for hydrocarbons projects, and a $20 million loan for the Bolivian Government's Oil Deposits, YPFB, capitalization program. The fourth credit of $12 million will be designed for the National Electricity Enterprise. (La Paz EL MUNDO in Spanish 26 Jun 94 p 4)

Jaime Aparicio, Foreign Ministry international relations secretary, on 24 June reported that Bolivia has received $15 million of the $54 million donated by the Argentine Government. President Sanchez de Lozada and his Argentine counterpart signed an agreement in March in which the Argentine Government donated $84 million of which $54 million will be used as counterpart funds to implement various international projects, with the remaining $30 million being earmarked for a health program to be implemented on the Bolivian-Argentine border. (La Paz LOS TIEMPOS in Spanish 25 Jun 94 p 1)

The Central Bank has reported that Bolivia's foreign debt was $225 million between 31 December 1993 and 31 May 1994. The cumulative foreign debt totalled $4.1 billion through the end of May. The country owes $2.236 billion to multilateral organizations, and $1.63 billion to bilateral institutions in real terms. The main multilateral creditor is the Inter-American Development Bank with $1.266 billion. The main bilateral creditor is Japan, with $547 million. (La Paz LA RAZON in Spanish 26 Jun 94 p 7)

On 24 June, Freddy Escobar, YPFB exploration and exploitation department director, reported that YPFB has discovered oil reserves some 2,600 meters underground in Churumas, Tarija Department. YPFB is planning to drill up to 4,000 meters deep to try to locate oil in commercial quantities. (La Paz LA RAZON in Spanish 25 Jun 94 p B3)

Brazil

Spokesman: Menem-Franco Incident 'Being Overcome'

PY0907015494 Sao Paulo AGENCIA ESTADO in Portuguese 2326 GMT 8 Jul 94

[By Aldo Renato Soares]

[Excerpts] Brasilia, 8 Jul (AE)—Itamaraty spokesman Luiz Fernando Benedini today said that the incident

involving President Itamar Franco and his Argentine counterpart, Carlos Menem, "is being overcome." According to Benedini, the Brazilian Government received "with satisfaction" President Menem's remarks this morning to the Buenos Aires-based Radio America. Menem, who annoyed Franco by using the minimum salary in Brazil as an example to reject a demonstration against the Cavallo Plan, said he had been misinterpreted. Marcos Azambuja, Brazilian ambassador to Argentina, who was urgently summoned to Brasilia, and Foreign Minister Celso Amorim are scheduled to meet with President Franco on 11 July to discuss the incident. After the meeting, Amorim and Azambuja will leave for Buenos Aires. [passage omitted]

Benedini added that Franco's trip to Buenos Aires in August to attend a meeting of the Mercosur (Common Market of the South) Council has not been canceled. Franco has threatened to cancel the trip to protest Menem's remarks, with Azambuja is because Foreign Minister Amorim, who is scheduled to return from Cuba on 10 July, is out of the country. Itamaraty has reported that following their meeting with President Franco, Amorim and Azambuja will leave for Buenos Aires, but declined to give further details on this unscheduled trip to Argentina by Amorim.

GATT Director on U.S. 'Obstacle,' Treaty Ratification

PY0807165394 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Jul 94 p B14

["Excerpts" of interview with GATT Director Peter Sutherland by Oswaldo Ribas, "shortly before delivering a lecture at Ca' D'Oro Theater" in Brazil; date not given]

[Text] [Ribas] Is the U.S. Congress the biggest obstacle to full ratification of the final treaty of the Uruguay round?

[Sutherland] First, I would not say the U.S. Congress is an obstacle. During my most recent visit to Washington two weeks ago, I learned that Congress will approve on time the laws that will enforce the Uruguay round. It would be unbelievable if this did not occur because, in my opinion, ratification by the U.S. Congress is the only pending decision for the enforcement of the round. I believe the United States will exercise its leading role in this issue, and that President Clinton and his entire administration are absolutely committed to the ratification. They will do it.

[Ribas] The biggest problem, however, is money. For U.S. congressmen the point is how to compensate for the $13.9 billion revenue drop resulting from the tariff reductions established by the Marrakesh Treaty.

[Sutherland] That figure is being revised and, according to the latest data, it is much smaller. The matter, however, has an ironic side because the multiplying earnings to be produced by the Uruguay round will compensate for any revenue loss. The first point that should be made clear is that it is not a loss: It is a profit for U.S. consumers because they will pay less for the products on which there are tariff reductions. A second point is the benefit to be produced by a tariff reduction above 33 percent all over the world, and the enforcement of other treaty provisions that will bring enormous advantages to the U.S. economy. I believe the government has the matter under control and can manage it without a political risk that may jeopardize the approval of the Uruguayan round by Congress.

[Ribas] Has the possibility of a veto been totally ruled out?

[Sutherland] Totally. The chances of a U.S. veto or rejection of the Uruguay round are inconceivable because it would have devastating effects. Based on what I heard in the United States things are not going that way. There are discussions on deadlines, on the date for ratification, on how the funds will be obtained, but no one speaks of rejection. Delaying the 1 January deadline, even though it may be undesirable, might occur. It would be very dangerous because it would promote a counterattack by negative protectionist forces all over the world.

[Ribas] Will ratification be fast in Brasilia?

[Sutherland] Yes. I have heard ministers like Foreign Minister Celso Amorim and Finance Minister Rubens Ricupero, and members of Congress say the treaty will be ratified before the general elections in October. Brazil will also show its leadership by approving the agreements. I believe no other country in the world is as interested in a multilateral system of commerce. A country that exports all over the world needs a global system. Support for liberalization should be stronger than support for protectionism.

[Ribas] What do you think of Minister Ricupero's candidacy for the World Trade Organization presidency?

[Sutherland] There are fortunately several highly qualified candidates. Minister Ricupero, in particular, is widely known in world commercial circles.

IAEA Team To Inspect Angra-1 Nuclear Plant

PY0907023394 Sao Paulo AGENCIA ESTADO in Portuguese 2250 GMT 7 Jul 94

[Text] Sorocaba, Sao Paulo, 7 Jul (AE)—The Angra-1 nuclear plant will be the next target of the International Atomic Energy Agency (IAEA) team that concluded its first inspection of the Navy Aramar Research Center in Ipero, Sao Paulo this week. By the end of the year, all the nuclear installations in Brazil that work with purified radioactive material like enriched uranium will have been inspected. An IAEA team for the first time inspected the zero power reactor installed in the Coordinating Center for Special Projects (Copesp) in Sao Paulo.

According to physicist Carlos Feu Alvim, assistant secretary of the Brazilian-Argentine Agency for Accounting and Control (ABACC), the Brazilian nuclear program

was opened to inspection by the IAEA through a four-party agreement signed among Brazil, the IAEA, Argentina, and the ABACC. The agreement has been in force since 4 March and it allows the IAEA, which is made up of more than 100 countries, to control the flow of radioactive material in nuclear installations. The objective is to prevent this material from being used to manufacture atomic weapons, Alvim said. "The installations that operate with radioactive elements are targets of inspection," he added.

This includes the research reactors installed in the Institute for Nuclear and Energy Research, IPEN, at Sao Paulo University; in the Nuclear Technological Development Center [CTDN] in Rio de Janeiro; in the Nuclear Energy Institute [IEN] in Belo Horizonte; in the plant for conversion of uranium into uranium hexafluoride in the Copesp; and in the fuel element (uranium tablets) factory in Resende, Rio de Janeiro. The 11 megawatt reactor being built in Ipero will be added to the list in 1995.

According to Alvim, uranium samples processed in Aramar were taken to Vienna where they will be analyzed in IAEA laboratories. "The tests will confirm whether the enriched uranium concentration match with that declared." The Aramar plant is licensed to enrich uranium by 20 percent, which is the concentration necessary to use as nuclear fuel, but not enough to build an atomic bomb. Alvim said that "if any difference of enrichment rate is detected between that declared by Aramar and that found in the tests, it will be viewed as an irregularity." In such a case, the Brazilian Government would be notified, he added.

Alvim believes that by signing the treaty with the IAEA, Brazil has confirmed it will not build nuclear weapons. "The government would not open its installations if it intended to disrespect the treaty," he said. Countries like Israel, India, and Pakistan, which want to build an atomic bomb, have not signed an agreement with the IAEA.

Roundup of Economic Reports

PY0907031294

[Editorial Report] The following is a compilation of reports on economic activities monitored through 7 July.

EXPORTS & PRODUCTION

According to the National Union Iron Ore and Basic Metals Extraction Industry, Sinferbase, the five principal iron ore producers and exporters—that is, Vale do Rio Doce Company; Reunited Brazilian Mines, MBR; Samarco; Samitri; and Ferteco—increased their exports in the period from January to March. In comparison with the same months in 1993, when 42.614 million metric tons of iron ore were exported, exports have increased by 14.5 percent. This means that these companies' revenues also increased, from $864 million during the January-May 1993 period to $910 million during the same period in 1994. During this period Vale do Rio Doce exported 29.799 million metric tons, worth $566.5 million; MBR exported 9.555 million metric tons, worth $152 million; Samarco exported 3.5787 million metric tons, worth $83.998 million; and Samitri exported 3.145 millin metric tons. (Sao Paulo GAZETA MERCANTIL in Portuguese 5 Jul 94 p 12)

The 1993-94 orange harvest has yielded 302 million boxes of oranges from 142 million trees. This information was reported by Ademerval Garcia, president of the Brazilian Association of Citrus Fruit Growers. According to Garcia, 53.2 million boxes were sold on the local market, and 248.8 million were processed. This season Brazil exported 1.106 million metric tons of concentrated juice, which is equivalent to $953.2 million, in addition to orange byproducts worth $200 million. Compared with 1993 the physical volume of exports grew by 1 percent, and their value by 27 percent. Sao Paulo State, with an output of 1.059 million metric tons, ranked as top producer. (Sao Paulo AGENCIA ESTADO in Portuguese 1500 GMT 2 Jul 94)

The Brazilian subsidiary of the German holding Voith is building five stainless steel rotors for the Wu Qiang Xi hydroelectric dam, in Hunan Province, southeast China. Voith was contracted by the German headquarters company for $25 million to build these rotors, which measure 9 meters long and weigh 255 metric tons each. The first of these rotors, each one of which requires 32 months to manufacture, was completed nearly 15 days ago, and the next will be finished in January 1995. (Sao Paulo GAZETA MERCANTIL in Portuguese 29 Jun 94 p 9)

INFLATION

The Brazilian Institute of Geography and Statistics, IBGE, reported on 6 July the June inflation rate as measured in Real Value Units, URV's, by the Special Expanded Consumer Price Index (IPCA-E), which reached 1.51 percent. Between January and June the accumulated IPCA-E index rose to 6.23 percent. According to the IBGE, the IPCA-E reached 3.1 percent in Rio de Janeiro, 0.37 percent in Goiania, 0.56 percent in Recife, 0.86 percent in Salvador, 1.03 percent in the Federal District, 1.08 in Sao Paulo, 1.17 percent in Fortaleza, 1.2 percent in Curitiba, 1.82 percent in Belo Horizonte, 2.01 on Belem, and 2.41 percent in Porto Alegre. (Sao Paulo AGENCIA ESTADO in Portuguese 1322 GMT 6 Jul 94)

The Getulio Vargas Foundation has reported that the General Price Index as measured in URV's, known as the IGP2-URV, reached 1.31 percent in June. So far this year the accumulated IGP2-URV is 5.02 percent, while in the past 12 months the rate has reached 11.88 percent. The Consumer Price Index measured in URV's, known as the IPC2-URV, reached 2.8 percent in June, 10.35 percent so far this year, and 16.9 percent in the past 12 months. (Sao Paulo AGENCIA ESTADO in Portuguese 0108 GMT 1 Jul 94)

The Economic Research Institute Foundation (FIPE) of Sao Paulo University has reported that the Consumer Price Index, IPC-FIPE, reached 50.75 percent in June. This is the highest rate since the beginning of the administration of former President Fernando Collor. Compared with May, when the IPC-FIPE rate in Sao Paulo was at 45.1 percent, it has risen by 5.65 percent. Food was the strongest factor pushing up the rate, as food prices grew by 54.73 percent in June. In URV's, the June IPC-FIPE grew by 4.71 percent, while in May it grew by 1.05 percent. (Sao Paulo AGENCIA ESTADO in Portuguese 1216 GMT 5 Jul 94)

There were high price increases between 30 June and 1 July, the day for the implementation of the real. The Office for the Defense and Protection of Consumers, Procon, has detected supermarket price increases of up to 68.29 percent. The price differences between supermarkets reach as much as 214 percent. The FIPE-ESTADO Competitive Price Index reflected a variation in prices of 3.61 percent in reals over a 30-day period ending 1 July. On 30 June the index was at 2.18 percent. Competitive prices rose by 1.43 percent in one day. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Jul 94 p B1)

According to Procon, the cost of the family basket in Sao Paulo dropped by 0.69 percent on 5 July and by 0.66 percent on 6 July. This means that the average price of the family basket has dropped from 106.99 to 106.28 reals. The family basket price has dropped 0.12 percent so far in July. (Sao Paulo AGENCIA ESTADO in Portuguese 1712 GMT 6 Jul 94)

DOMESTIC CONSUMPTION

Retail sales dropped by up to 60 percent during the first 5 days of circulation of the real, according to a study carried out by the Sao Paulo Commerce Federation, FCESP, which found out that in general, in the first five days of July, retail stores sold between 20 and 25 percent less than during the same period in June. According to FCESP shopping center representative Raul Sulzbacher, sales are low because consumers have difficulties understanding the new currency, and are afraid of spending money and losing control of their budgets. He nonetheless expects sales to normalize by the second half of July. Stores for construction materials have had the greatest difficulties, with sales in Sao Paulo plummeting by nearly 60 percent in comparison with June. According to Claudio Conz, chairman of the Construction Material Businessmen's Association, sales have dropped by 70 percent nationwide. Conz said that consumers have understood the message from the government, which "counseled the people to avoid buying from supermarkets that have increased their prices." (Sao Paulo AGENCIA ESTADO in Portuguese 2046 GMT 6 Jul 94)

DOMESTIC ACCOUNTS

Treasury Secretary Murilo Portugal reported on 30 June that the Treasury registered a surplus of $472 million in May. This figure has improved Treasury accounts which are, however, still in the red. From January to May the accumulated Treasury deficit reached $1.5 billion. He said that the deficit is to a considerable extent the result of the fact that in April the Treasury had to pay out two months' worth of the public servants payroll. In addition, during the first five months of the year, it had to pay $900 million in interest to the Central Bank. (Sao Paulo AGENCIA ESTADO in Portuguese 0021 GMT 1 Jul 94)

FINANCIAL MARKET OPERATIONS

In order to restrain the inflow of dollars into the country during the first stage of the Real Plan, the Central Bank, BC, announced on 1 July that it is suspending for 90 days bridge loans from foreign companies to their subsidiaries in Brazil, as well as the remittance of funds to increase their capital. Central Bank International Affairs Director Gustavo Franco said that on many occasions such resources are applied to the financial market, taking advantage of the high interest rates paid in Brazil. The BC will also not allow Advanced Exchange Contract operations or the prepayment of exports, also to prevent this money from being applied to the financial market. Only agricultural commodities that need one year for planting, harvest, and trade will be entitled to this kind of operation. (Sao Paulo AGENCIA ESTADO in Portuguese 0001 GMT 2 Jul 93)

The Central Bank has reported that the inflow of dollars into Brazil during the first half of the year amounted to $17.158 billion. The net inflow of dollars in June amounted to $2.872 billion, of which $2.427 billion stems from trade operations and $344 billion from financial operations. This figure is nonetheless below that of May, when the inflow of foreign dollars amounted to $3.7 billion, a monthly historical record. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 6 Jul 94 Section 2 p 5)

On 4 July, the first day on which banks returned to normal operations with the new currency, the Central Bank borrowed money from banks at a monthly interest of 12 percent, which represents a nominal short-term interest rate of 8.31 percent for July. Banks expected the interest to remain under 8 percent. If the short-term interest rate remains at 8.31 percent, the rate in real terms will be 4.13 percent based on an estimated 4 percent inflation rate. This figure is higher than the 2.75 percent rate that was in force after the creation of the URV. (Rio de Janeiro O GLOBO in Portuguese 5 Jul 94 p 22)

FOREIGN CREDIT

The French Foreign Trade Insurance Company, Coface, is again guaranteeing loans made by French banks to Brazilian financial institutions. The Bank of Brazil, BB, for example, has obtained access to $276 million in French loans since June 1993. This means that Coface has classified loans to Brazil at zero risk or with very reduced risk. So far the BB has contracted loans with

Credit Commercial de France, CCF, for approximately $88 million; with the Banque Nationale de Paris, BNP, for $100 million; and with the Banque Societe Generale for $88 million. These loans will be available for purchasing French machinery for the graphic arts, medical, and textile industries. (Sao Paulo GAZETA MERCANTIL in Portuguese 29 Jun 94 p 19)

PRECIOUS METALS

Using advanced technology, the Mines and Energy Ministry of Minas Gerais has detected 1,000 areas for gold exploitation. Several enterprises are applying as contractors. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 5 Jul 94 Business and Finance Section p 3)

Chile

Aninat: Government Cannot Interfere With Dollar Rate

PY0807164494 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 8 Jul 94

[Text] Responding to criticism by businessmen over the government's exchange policy in view of the drop in the value of the dollar, Finance Minister Eduardo Aninat said the government cannot interfere because the dollar has dropped on the international market, particularly in comparison with the Japanese yen and the German mark. Aninat said this during a ceremony attended by President Eduardo Frei to commemorate the 10th anniversary of Asexma, the Association of Exporters of Nontraditional Manufactured Products.

Asexma President Roberto Fantuzzi asked the president to hold a closed-door meeting among government officials, businessmen and workers to define a coherent export policy.

CUT [United Labor Confederation] leader Manuel Bustos, who is currently involved in a controversy in the press with businessmen, also attended the ceremony and was in good humor.

President Frei closed the ceremony by urging workers and businessmen to join the government in its effort to help develop the country. Frei declined, however, to comment on the CUT protest march scheduled for 11 July.

At the end of the ceremony, Asexma awarded a prize to the most successful exporting company of 1993, Tres Montes Ltd.; and to the media organization with best coverage on export activities, Television Nacional de Chile.

Dollar's Fall on World Market Evaluated

PY0807142294 Santiago LA TERCERA DE LA HORA in Spanish 28 Jun 94 pp 1, 2

[Article by Luis Diaz del Valle]

[Text] The lack of credibility in the U.S. economy may be one of the main reasons for the major fall in the dollar rate over the past few days. Yet, while the dollar rate was falling abroad, on the informal internal market it stands at about 422 pesos.

Rafael Henriquez, operations chief of the Bancosorno foreign currency division, believes the interest rate hike by the U.S. Government in the first quarter of this year sought to reinstate the dollar leadership and to allow the U.S. economy to come out of its recession. This move prompted investors to go for other operations that appeared more profitable.

Henriquez added that the interest rate hike in the United States also increased unemployment because of reduced economic activity.

Henriquez believes the existence in Chile of a basket of currencies to determine the dollar value has "helped to defend the exchange rate." He added that the influx of so-called short-term "speculative credits," which can lower the domestic exchange rate, have dropped.

He added that exchange calculations on a basket of currencies, which includes the dollar, the yen, and the German mark, prompted a 4 to 5 pesos rise in favor of the U.S. dollar.

Felipe Ortiz, general manager of the Trasset Stock Brokers Inc., said these international events show the dollar had a strong trend toward devaluation against the two main currencies that the Chilean market uses as a reference: the mark and the yen. Last week, the Japanese currency went under 100 yen per dollar and the mark stood at 1.58 per dollar.

This prompted the U.S. Federal Reserve to support its currency through the central banks of the developed countries; but the dollar continued to fall.

Ortiz said: "The estimates indicate that the yen rate in the short-term should be 95 per dollar, which means the dollar will continue to lose value." He added: "The signals from international markets, especially the monetary markets, are clear regarding the United States and the industrialized markets."

Regarding the specific case of the U.S. economy, Ortiz said: "Clear and precise measures should be adopted to reduce its fiscal and commercial deficit, even though the commercial deficit recovered 22 percent last April compared to March."

He added: "Questions are being asked about measures and signals, whether the evolution of the U.S. economy is taking solid steps, or if the growth will be accompanied by inflation."

Ortiz said: "Investors are also sending very clear signals that they do not believe in the U.S. economy and do not trust its growth, whether or not it is inflationary. This indicates they would bet on a further increase in interest rates, and this is the belief now."

Felipe Ortiz said it was already estimated that U.S. interest rates would increase throughout the year to reach 5 percent "in the very short-term." This conveys a message to other industrialized countries, encouraging them to reduce their fiscal deficits, control their inflation, and allow the economic reactivation that is beginning in the United States to become a long-term project.

Ortiz emphasized: "The internal exchange rate is weak and unstable due to a fluctuating external situation that cannot be controlled by Chilean officials."

He noted, however, that in terms of the trade balance, something important could be done to maintain the exchange rate. He added that an increase in the sale of the ADR [American Depositary Receipts] abroad is expected. This is an investment mechanism for the country. Among the companies that will sell them he mentioned Andina and Laboratorio Chile.

Ortiz believes that about $800 million will enter the country that way; so far almost $350 million has arrived and "his will also depress the internal value of the U.S. currency even further.

Roberto Fantuzzi, president of the Association of Exporters of Nontraditional Manufactured Products (Asexma), said: "We find ourselves between two extremes: On one side we are exporters and on the other side we reduce imports." He added that when the dollar falls "it affects us from both sides. This is serious because it jeopardizes labor stability as competition drops both ways."

He said when businesses supply the internal market at a low dollar rate, imported products become cheaper. In the case of importers he said: "They have very low operational costs and do not make any major contribution to the economy. They employ very little labor yet they take over the internal market. This adversely affects national industry because it reduces competition thus putting labor stability at risk."

He noted that with a depressed dollar, exporters lose money as most of their costs are calculated in UF's [a unit of accounting adjusted for inflation]. Fantuzzi said: "Those most affected are exporters who employ many manual workers and who overlook the fact that labor has a high value and is measured in UF's."

Police Protect Justices Following Death Threats

PY0807164694 Madrid EFE in Spanish 2258 GMT 7 Jul 94

[Text] Santiago, 7 Jul (EFE)—The Carabineros have implemented a plan to provide top security measures to protect Supreme Court justices following death threats received by seven of the 17 Supreme Court justices.

The afternoon newspaper LA SEGUNDA reported today, 7 July, that the threat came in a note allegedly signed by the extremist Manuel Rodriguez Patriotic Front (FPMR).

The same source announced that the note states that the death threat will be implemented if the justices "vote in favor of military men in cases in which they are involved."

Several charges have been brought to the Chilean courts for human rights violations committed during the past military regime (1973- 1990).

Special protection was solicited by the Supreme Court president to the Carabineros Police and, according to the report, the security plan will benefit all justices and the court equally.

Roundup of Economic Reports

PY0807231894

[Editorial Report] The following is a compilation of reports on economic activities monitored through 7 July.

PRODUCTION

On 21 June, Nicolas Eyzaguirre, manager of the Central Bank of Chile's research division, stated that the GDP increase for the first half of the year will be on the order of 3.5 percent. He also noted that the volume of exports increased between 13 and 14 percent during the first five months of 1994, as compared with the same period in 1993, a figure which is "extraordinarily high." The value of these exports rose by 10 percent. Even more impressive, according to Eyzaguirre, is the rise in nontraditional exports of between 23 and 24 percent, while industrial exports rose 21 percent. (Santiago ESTRATEGIA in Spanish 22 Jun 94 p 5)

TRADE BALANCE

The Central Bank of Chile has reported that the trade balance increased $59.5 million in May with exports at $997 million, an increase of 43.3 percent, and imports at $937.5 million, an increase of 18.76 percent, as compared with the same month last year. The cumulative trade balance registered a positive surplus of $298.5 million through May. Exports of mining products rose to $428 million, an increase of 49 percent; agricultural, livestock, and sea products rose to $128.4 million, an increase of 25.3 percent; industrial products totalled $440.6 million, an increase of 44.1 percent; exports of cellulose rose by 82.5 percent; and fishmeal exports rose by 5.6 percent. (Santiago ESTRATEGIA in Spanish 24 Jun 94 p 4)

Economy Minister Alvaro Garcia has reported that Chilean-Colombian trade exchange increased 23 percent in the year's first four months as compared with the same period in 1993. It totalled $170 million in 1993. Exports increased 14 percent, and imports 30 percent during the January-April period. (Santiago ESTRATEGIA in Spanish 23 Jun 94 p 8)

The Central Bank of Chile has reported that the balance of payments registered a $405 million surplus in the year's first quarter, as compared with the $286 million

deficit registered during the January-March period of 1993. This was a result of the trade balance having risen from $76 million to $133 million in the year's first quarter, when the value of exports increased 5.1 percent and imports dropped 3.5 percent. (Santiago EL MERCURIO in Spanish 24 Jun 94 p B3)

FOREIGN TRADE, INVESTMENT

Alan Wong, director for the Americas of the Hong Kong Trade Development Council, HKTDC, stated on 21 June that the opening of a new HKTDC branch in Santiago will greatly help to promote commercial ties between Chile and Hong Kong. He said this during the inauguration ceremony, which was attended by Chilean Economy Minister Alvaro Garcia. Wong said: "We chose this country as the HKTDC headquarters for the Latin American Southern Cone, to promote the new commercial approach between Kong Kong and Latin America, as we regard Chile's economy as one of the most developed and liberal in the region." (Santiago LA TERCERA DE LA HORA in Spanish 22 Jun 94 Economic Section p 4)

Taiwanese businessmen agree that there is great interest on the part of investors in Taiwan and other cities in this country in opening negotiations with Chile, in light of its current economic situation and the country's imminent entry into NAFTA. Hugo Chiu, head of the Taipei Economic and Cultural Division, explained that his visit to Arica was designed to evaluate possible investments by Taiwanese businessmen. As for bilateral exchange, Chiu said that trade totalled $720 million in 1993, with a trade balance of $260 million in Chile's favor. (Santiago EL MERCURIO in Spanish 25 Jun 94 p B3)

OVERSEAS INVESTMENT

The National Telecommunications Enterprise, Entel, 20 percent of which is owned by Telefonica de Espana, will control 80 percent of the shares of the U.S. company Americatel, which is based in Miami. Entel, which had owned 49 percent of Americatel shares, will invest $25 million in the company. This is the first time a foreign company has managed to gain control over a long distance "carrier" in the United States. (Madrid EFE in Spanish 2029 GMT 1 Jul 94)

Colombia

Government Communique Criticizes U.S. in Drug Fight

PA0907023594 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 9 Jul 94

[Report by the "24 Hours Newscast"]

[Text] We have just received the following information. Colombia has reacted strongly to U.S. criticism of the nations's antidrug program. Correspondent Raul Gutierrez has spoken with the foreign minister.

[Begin recording] [Foreign Minister Noemi Sanin de Rubio] In a communique, the national government is reiterating its traditional policy of complete autonomy concerning such issues. This communique affirms, and I quote, we cannot accept and will never accept that our antinarcotics program be formulated as the result of interference, pressure, or unfriendly activities by any state, unquote.

An open exchange of opinion is common between two friendly nations. Colombia and the United States have maintained close relations in their joint struggle against criminal organizations. This cooperation has been succesful in the past, and we hope it will be strengthened in the future.

[Gutierrez] Mrs. Minister, are there any other specific reservations in your communique to the U.S. Government?

[Sanin] Obviously, diplomatic notes are private and privileged, but we do not approve of our antinarcotics policies being determined unilaterally by the United States. This violates our autonomy and sovereignty.

In addition, we also have some criticism of the U.S. antinarcotics program, mainly in respect to the results achieved so far. This includes, for example, issues such as the increase in consumption, money laundering, corruption of police officers in large cities, cutbacks in assistance in the struggle against drug trafficking, and the reduction in legal cooperation. Therefore, we, too, have opinions about the U.S. antinarcotics program. [end recording]

Gaviria Preparing 'Strong' Response

PA0907030794 Paris AFP in Spanish 0020 GMT 9 Jul 94

[Text] Mitu, Colombia, 8 Jul (AFP)—On 8 July, President Cesar Gaviria said that "some countries fail to see the beams in their own eyes." He admitted that Colombia's relations with the United States are going through hard times following a U.S. State Department memorandum severely questioning the Colombian Government's counternarcotics policy.

Questioned by reporters about the State Department document, Gaviria said his government is preparing a strong response. "We will respond strongly by saying that we know we are a good partner to the international community in the fight against drugs," he said. "Colombia is a sovereign country that is sure it has been a good partner to the rest of the world in the fight against drugs. We do not have to be disciplined or reprimanded," he added. "Colombia cannot allow itself to be disciplined or told to fulfill its commitments to the international community," he added.

He pointed out that in other countries, including the United States, drug consumption has increased. "We will never agree that problems exist only in Colombia."

He also said that Colombia is a victim, not a beneficiary of drug trafficking, and that no other country has made the great sacrifices that Colombia has made by persevering in the fight against drug traffickers.

Gaviria, who on 7 August will hand over his government to his successor, Ernesto Samper, another Liberal Party member, said he will continue to fight drug trafficking as it has been Colombia's traditional policy.

Gaviria made the remarks during a public event in Mitu, capital of Vaupes Department, in the country's eastern region, where he gave the Indian population a translation of the 1991 Constitution in their own language.

Future Government Reacts to Letter

PA0907033994 Hamburg DPA in Spanish 2045 GMT 8 Jul 94

[Excerpt] Santa Fe de Bogota, 8 Jul (DPA)—Members of the government that will assume power in August and be led by Colombian President-elect Ernesto Samper today rejected a secret letter from the U.S. State Department, a letter which reportedly questions Santa Fe de Bogota's resolve in fighting drug trafficking.

The letter, which has already produced criticism from within the Cesar Gaviria government, today opened a new chapter in the rocky relations between Santa Fe de Bogota and Washington on the subject of drug trafficking.

Despite the fact that the letter's contents remain a secret, the media have indicated the State Department letter hints that the Gaviria administration has "lowered its guard" in the struggle against drug trafficking, and, in turn, future cooperation will depend on the Samper government's actions.

Colombian Foreign Minister Noemi Sanin gave assurances that her country "at no time has lowered its guard," adding that, on the contrary, it has overcome obstacles resulting from a shortage of international cooperation in the struggle against money laundering and the smuggling of cocaine precursor chemicals.

Sanin's successor in the Samper government, Rodrigo Pardo, said that although he has not read the letter, he knows it contains "unacceptable terms" that fail to take into account the fact that Colombia is the country that has struggled the most against the drug cartels and the country that has suffered the most from terrorist attacks waged by these gangs.

"One cannot understand how Colombia's struggle could be questioned. Colombians have done plenty, and we have yet to see the same things being done in countries where chemical precursors are produced, mafia money is laundered, and drugs are consumed on the streets," the foreign minister-designate argued.

Horacio Serpa, who will be government (interior) minister under Samper, described the letter as "unfair" because his country "has never lowered its guard and continues and will continue to fight bravely against the mafia."

The existence of the controversial letter was disclosed on Wednesday. Colombian Government sources, however, said the letter was sent before the so-called "narcocassette scandal" erupted, a scandal that revealed an attempt by the Cali Cartel to infiltrate Samper's campaign and the campaign of his rival, Andres Pastrana, in the recent presidential elections. [passage omitted]

De Greiff: U.S. Letter 'Insolent'

PA0907211694 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 9 Jul 94

[From the "NTC News" newscast]

[Text] Prosecutor General Gustavo de Greiff has said the U.S. Government's letter, which suggests Colombia does not have clear positions in the struggle against narcotrafficking, is insolent:

[Begin recording] [Unidentified reporter] What is your opinion of the letter sent by the U.S. Government to the Colombian Government stating there is no real struggle against narcotrafficking in Colombia?

[De Greiff] That is a disrespectful letter which, in my opinion, Colombia should answer strongly and with dignity. There is no country that has made greater sacrifices than Colombia in the struggle against narcotrafficking. We should not stand for such insolence. [end recording]

More on De Greiff Reply

PA1007035394 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 10 Jul 94

[Report by Oscar Galvez from the "AM/PM" newscast]

[Text] Self-confident and assertive, Prosecutor General Gustavo de Greiff today strongly criticized the national government and U.S. interference.

The prosecutor general was reacting to a note sent by the United States protesting alleged Colombian shortcomings in handling drug traffickers. This time de Greiff replied independent of the Gaviria administration.

[Begin de Greiff recording] This is the most appropriate description of the situation: The devil pays with hell all those who serve him well. When the United States insulted the prosecutor general of the Republic, it was really insulting what that office represented. The Colombian Government failed to support me. In fact, the Colombian ambassador to the United States implicitly approved of the insult. Now the government has opened the door and given the United States ample room to continue its impertinent and disrespectful conduct. It is impertinent because they have no right to tell us how to

conduct the struggle against drug trafficking. It is disrespectful because they are meddling in internal affairs that are the exclusive jurisdiction of this country. I am pleased, however, that although it is happening late, the government finally understands it is important that the country be respected.

Prosecutor General Ends 'Narcocassette' Inquiry

PA1007042594 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 10 Jul 94

[Report by Oscar Galvez from the "AM/PM" newscast]

[Text] Sources close to the Prosecutor General's Office have informed the "AM/PM" newscast that no charges or arrests will be made with respect to the narcocassettes controversy because there has been no crime. In other words, there has been much ado about nothing.

Nothing positive has resulted from 20 days of investigation of the narcocassette scandal in which journalist Alberto Giraldo, acting on behalf of the Rodriguez Orejuela brothers, heads of the Cali Cartel, offered to finance the presidential election campaign.

Affidavits were sworn out by President-elect Ernesto Samper, Andres Pastrana, Miguel Maza Marquez, Samper campaign treasurer Santiago Medina, Pastrana campaign treasurer (Hernan Beltz Perelta), and journalist Alberto Giraldo.

Reliable sources told the "AM/PM" newscast that no legal charges have been or will be filed. The source added that this decision is a result of the investigation's conclusion that no crime has been committed.

'Narcocassette' Said Edited

PA1007134394 Santa Fe de Bogota EL ESPECTADOR in Spanish 8 Jul 94 p 6-A

[Text] The Prosecutor General's Office has confirmed that the audio cassette tape, in which journalist Alberto Giraldo and brothers Miguel and Gilberto Rodriguez Orejuela held a conversation allegedly offering money to the political campaign of President-elect Ernesto Samper Pizano, was edited by the person or persons who later gave the tape to Andres Pastrana and the media.

EL ESPECTADOR learned that the investigators who analyzed the tape have concluded that it was edited, that it had gaps between statements, and that the recording indeed originated from a wiretapped telephone conversation. It was also confirmed that the voices on the tape belong to the Rodriguez Orejuela brothers, well-known Cali Cartel capos, and journalist Giraldo.

In addition, this newspaper learned that Giraldo admitted, in the presence of Prosecutor General Gustavo de Greiff, he had known and been friendly with the Rodriguez Orejuela brothers for a long time. He even admitted that on several occasions, he had talked with the drug traffickers about their monetary offers to the campaigns of Samper and Pastrana. He also said none of the people contacted had accepted the offers. In his deposition, which lasted more than three hours, Giraldo said he had reported to the Rodriguez Orejuela brothers about the candidates' refusal to receive any money donated by the mafia capos.

After the investigators determined that the tape had been edited, and after Giraldo made a statement admitting his participation in the conversations, the so-called narcocassette lost all value in the ongoing investigation into the possible participation of drug money in the political campaigns.

The Prosecutor General's Office investigation continues with statements by each of the people mentioned in the talks between the Rodriguez Orejuela brothers and Giraldo. The following individuals have given statements so far: Santiago Medina, treasurer of Ernesto Samper's campaign; former presidential candidate Miguel Maza Marquez; former Senator Alvaro Pava; Cesar Villegas; Deputy Carlos Alberto Oviedo; and Jose Guerra de la Espriella.

It was established that the most prominent people in charge of handling the money in Pastrana's campaign and others who, although unnamed in the tape, were summoned by the Prosecutor General's Office have not yet appeared to testify. It has been said that some of these people are out of the country.

This fact has set back the investigation, which will take longer than anticipated and surely will not be completed by Prosecutor General De Greiff, but by the person who replaces him.

Also, EL ESPECTADOR has learned that no one has answered the request by the Prosecutor General's Office to identify himself as the individual who gave the cassette to Pastrana when he was leaving the Intercontinental Hotel in Cali.

It will be recalled that the tape was later given to President Cesar Gaviria by candidate Pastrana and his campaign chief, Luis Alberto Moreno, two days before the 19 June presidential elections. In turn, Gaviria gave the cassette to Defense Minister Rafael Pardo Rueda, who sent it to De Greiff by way of three generals.

De Greiff met with Samper and Pastrana, who turned over to De Greiff all of the campaign's accounting books for the subsequent investigation.

The narco-cassette case created an international scandal that marred Colombia's image abroad, a situation that led Samper to make a number of contacts abroad to clarify the events.

New Recording Links Cartel, Samper Campaign

PA1007045594 Paris AFP in Spanish 0306 GMT 10 Jul 94

[Text] Santa Fe de Bogota, 9 Jul (AFP)—Today, AFP and other international news agencies received a

recording of a conversation between an alleged Cali Cartel cocaine boss and an unidentified person in which economic links between that group and the electoral campaign of President elect Ernesto Samper were discussed.

The recording was sent by a group of citizens who identified themselves as "Honorable Citizens." A voice identified by the senders as that of Jorge Eliecer Rodriguez Orejuela (an alleged member of the Cali Cartel) and that of an unknown person identified as Omar are heard. In the recording, Rodriguez, who apparently was drunk at the time of the conversation, tells his interlocutor that he delivered a good (undetermined) amount of money to the president-elect's campaign. The recording indicates that no money was given to Pastrana because they wanted him to lose.

The voice in the recordings is not identified by the citizens and must be verified by Colombian authorities. The authenticity of the recording must also be verified.

The senders of the recording, who in the recent past made available another recording linking drug traffickers to Samper's presidential campaign, said they chose international news agencies because the national media is under government censorship.

The "narcocassette" case began on 22 June (three days after the elections), when the media reported a recording of a conversation between alleged chiefs of the Cali Cartel—Gilberto and Miguel Rodriguez Orejuela—and journalist Alberto Giraldo regarding the alleged financial aid that this group had given the political campaigns of Samper and the defeated candidate, Andres Pastrana.

Giraldo, a reputable journalist in Colombia, has acknowledged the conversation and the contact established with political campaign people, although he noted that none accepted money from drug traffickers.

The "Honorable Colombians" later sent the media a new recording involving Samper's campaign treasurer.

Vice President-Elect Discusses Drug Policy

PA0907011894 Santa Fe de Bogota EL TIEMPO in Spanish 3 Jul 94 p 8A

[Interview with Vice President-elect Humberto De la Calle by EL TIEMPO Editor Jorge Gonzalez; place and date not given]

[Text] [Gonzalez] Has the narcocassettes issue harmed Colombia's image, or could it be a setback in Colombia's struggle against the mafias?

[De la Calle] There is a problem of image, and we cannot deal with it merely as a formality. I believe the issue has caused tremendous damage, and, in order to fully restore Colombia's image, we must be able to give the world clear answers: We must adopt a very stern policy against drug trafficking. Such a policy would be consistent with the reality of today's Colombia because I believe that drug trafficking continues to be a threat to Colombia even though the phase of narcoterrorism is over. I recently told THE WASHINGTON POST that this new strategy of drug trafficking, which does not operate through terrorism but by using money to buy influence, in a way is a much more intelligent method, but at the same time it is more dangerous to our country's future. Colombians must be aware of this. We must recover the credibility we have suddenly lost again.

[Gonzalez] What will be the central points of this harsh policy you and President Samper are planning to implement?

[De la Calle] First, police and military harassment. The government must guarantee compliance with arrest warrants issued against drug traffickers; it must continue conducting operations and improving intelligence networks. In the legal field, we must revise the Criminal Procedures Code and the Penal Code to increase sentences and prevent some interpretations and legal voids that could give the impression that the policy of surrender to justice is a policy to encourage impunity. The policy of surrendering to justice must be reevaluated so people understand it is not a weak policy but, rather, a policy at the service of a state capable of arresting mafia leaders. I must stress that the policy of surrendering to justice is just one alternative because it is the state's duty to arrest drug traffickers.

[Gonzalez] What can be done to change the idea among the general public that our authorities fought against the Medellin Cartel but are not doing the same against the Cali Cartel?

[De la Calle] We can only reply with actions, not with words. We must put all drug traffickers in jail, without any exceptions. We can only erase doubts through serious, responsible, and efficient work. That will be one of the priorities of the next government.

[Gonzalez] You are reinaugurating the vice presidency of the Republic after almost one century. What direction will you give this post?

[De la Calle] I want to give the vice presidency substance so it is not merely a symbolic post, as well as to differentiate it from the post of presidential designate. I have talked to Ernesto Samper about working in two areas—in the international and the constitutional development areas.

The first covers human rights issues, the protection of the environment, and the struggle against drug trafficking. Human rights is going to be a matter of great concern very shortly. I am forecasting that in the near future, it will be more important for Colombia's foreign policy than the drug trafficking issue. Colombia has become a testing ground of all the nongovernmental organizations in the world that operate in this field.

The environmental issue will be the only one in which we will not be towed behind by what happens in Europe and

in the United States. We are going to participate in structuring the world's agenda. After all, we have the second greatest biodiversity in the world; the Amazon region and the Choco rainforests.

[Gonzalez] What action will you take regarding Amnesty International reports that continually portray Colombia in a bad light?

[De la Calle] There is something that comes first. Colombia has made progress in the protection of the human rights although there is still much more to do. We must draw up a very serious policy that is filled with commitments by government agents to respect fundamental rights. Some things have been progressing properly. There have been some constitutional developments that in practice have concluded with good results. This government has reinitiated the process of reforming military penal justice. We, however, are not prepared to assimilate the focus that the international organization gives this. While we are working on institutional solutions and taking about the Constitution and structural reforms, the foreigners concentrate more on specific cases of violations. Colombia is not prepared for this.... It is unbelievable, but the Foreign Ministry and the ambassadors are misinformed.

We must change our mindset and work not only on what is institutional; we must work on cases. This demands a great deal of preparation by the government in order that the vice president can approach the international forums in which Colombia is questioned. Here we must demonstrate that we do not only organize institutions, but we also issue reports on specific cases. We must start by becoming informed.

[Gonzalez] You were one of the main actors in the Constituent Assembly. At this stage, what is still missing for the Constitution's development?

[De la Calle] We have not yet witnessed the new scheme of more participation and more democracy as conceived by the Constitution. There still are many traces of a centralist technocracy. Some youngsters who came from Yale or Harvard made us believe they were capable of handling the country from the Planning Offices on Calle 26. They forgot it was necessary to include local and departmental authorities and civilian society in a gradual planning process.

There is a great deal to do in basic rights. We must promote the development of statutory laws. For instance, as for the personal consumption of minimum doses, I would think—and I hope I am not being naive here—that should a law promoting personal rights have been enacted on time, we would not be facing the controversy triggered by the Constitutional Court ruling.

I am a devout centralist, but I am foreseeing some danger. We lack local management; most of our mayors are unqualified mayors as a result of our politics. There are no permanent administrative structural charts. One thing is to talk about decentralization in France, where people understand the administration is in the hands of technocrats, and another thing is to talk about decentralization here, where the management of public finances tends to have partisan underpinnings. This is where one of our weakest points lies.

[Gonzalez] Is the proliferation of mayors who have arrest warrants against them linked to the lack of prestige of the "administrative class"?

[De la Calle] I am sure that these preventive measures against nearly half of Colombia's mayors is due in some cases to corruption, and in others to plain ignorance. There are mayors who do not know what to do with money, and that is why the public administration needs to be reeducated.

Checks and balances need to be instituted. We cannot have a repeat "Saudi Arauca" case—money that ends up wasted in swimming pools. That is like using a fire hose to give water to someone who is thirsty; the thirsty person winds up drowning. When I speak of checks and balances, I am not referring to the traditional ones used by the Comptroller General's Office and the Prosecutor General's Office. I am talking about planning. We must not forget that at the beginning of the next century, municipalities and departments will receive 47 percent of the budget. We need to create conditions of control and planning and teach our governors and mayors how to prevent these resources from being wasted.

[Gonzalez] Has justice found its course within the Constitution?

[De la Calle] In the field of justice, all I see are conflicts and difficulties in jurisdiction. I have just met with the Supreme Court of Justice and the High Council of the Judiciary and the outlook is bleak. There are obvious points of contention, for example, magistrates that go on trial. While the Judiciary High Council Disciplinary Board demands jurisdiction, the Constitutional Court has said that Congress has jurisdiction. We can say the same regarding discipline. It is not sufficiently clear whether it is up to the attorney general or alternatively the Judiciary High Council. This is something that needs to be resolved by a statutory law dealing with the administration of justice.

Despite everything said, I am not pessimistic. I believe that the 1886 constitutional transition process was much tougher. Mr. Caro ruled this country for 20 years with two temporary articles.

[Gonzalez] You are perceived to be a cornerstone of international policy. Within this context, what will be your relationship with the president and the foreign minister to avoid redundancies?

[De la Calle] Colombia's international policies are set by the president. I will limit myself to fulfilling the president's instructions, and I have been very clear on this point. The president will probably task me with special chores that I will fulfill. In the case of the Foreign

Ministry, I am pleased with the appointment of Rodrigo Pardo Garcia-Pena. I think he is an exceptional man for the job. We get along very well on a personal level, and I simply hope to be part of the team. I do not intend being some sort of head minister. I will respect each minister's autonomy. This is a topic on which we need to focus very carefully, because this is an apprehension that the post of vice minister creates.

[Gonzalez] What changes could be made to the current surrender policies?

[De la Calle] We need to change certain rules that are currently being interpreted as if our coercive capacity is simply reduced to issuing very weak sentences. Let us look at one example: The criminal who surrenders receives a reduced sentence by the Prosecutor General's Office and other reductions for good behavior, for learning to read and write, and even because of the pope's visit. Theses accumulative reduction in sentences is disastrous. We need to separate the systems.

At the same time, we need to increase penalties for laundering dollars, which currently is a mere administrative misdemeanor. Colombia must recover its credibility and continue to encourage a policy of judicial cooperation. We need evidence that lies abroad in the hands of judges and prosecutors. The cassette case may affect this cooperation. There is certain distrust and anxiety among certain sectors, especially in the United States, and this is where the new government must clearly show from the beginning that it is trustworthy and serious.... We will not do this as a result of pressure because I do not think it is good for the government to enter a stage of what we may call hysteria in the struggle against drug trafficking. We will surely act with responsibility and severity.

Nevertheless, there is something else that is also true. Colombia has made heroic efforts in this struggle, and sometimes it feels as if it is acting alone. I believe we get the short end of the stick abroad; they want to place all of the blame on Colombia, and they forget about controls on dollar laundering, the sale of chemical precursors, the sale of weapons, and the very consumption of narcotics.

Government Facilitates Rebel Demobilizations

PA1007161294 Santa Fe de Bogota EL TIEMPO in Spanish 6 Jul 94 p 8A

[Text] Yesterday, the government adopted new measures to facilitate, without need for any negotiations process, the demobilization of people linked to guerrilla organizations.

According to Decree 1385 dated 30 June 1994, people who voluntarily and as a personal decision give up their activities as members of subversive organizations and surrender to authorities will benefit from rights similar to those granted to people who adopted this decision within the framework of past peace processes.

The decree establishes the creation of an Operational Committee for the Surrender of Weapons. This committee will have the authority to suspend arrest warrants against people involved in political crimes prior to their surrender.

The committee will comprise one representative each from the Government, Justice, and Defense Ministries; the presidential adviser for peace; and the prosecutor general.

The committee will be tasked with evaluating the circumstances surrounding voluntary surrenders, as well as each applicant's membership in a guerrilla group. Another task of the committee will be to check information provided by the rebels wanting to reenter society with information in the hands of security organizations.

According to the measure, any person attempting to benefit from the government's offer must surrender to civilian, judicial, or military authorities, who in turn must immediately report the case to the Regional Prosecutor's Office to enable him to authorize the presence of the demobilized rebel in military installations.

Likewise, the demobilized individual may ask not to be housed in a military barracks, but in one of the prisons to be established for this purpose by the relevant authorities.

Those interested in casting off their criminal activities will be able to benefit, if their legal situation permits it, from the social and economic reinsertion programs approved by the Operational Committee for the Surrender of Weapons.

The decree establishes that social and economic benefits can be granted only once to each person and that they are conditioned on compliance by the beneficiary with the obligations assigned to him by the committee.

Paraguay

Cuban Legislator Visits, Views Agricultural Sector

PY0907032194 Asuncion ABC COLOR in Spanish 8 Jul 94 p 44

[Article by Emilce Ramirez]

[Text] Cuban parliamentarian Manuel Samora Correa, in the company of his Paraguayan colleagues, deputies Silvio Ferreira and Juan Carlos Medina, visited Paraguari Government House, where they met with departmental authorities. Samora Correa indicated that his country is interested in supporting the diversification of agricultural products being carried out in our country, mainly regarding the production of sugarcane.

Governor Herminio Caceres reported that Samora Correa's visit is because Cuba intends to strengthen its agricultural production, especially in the sugarcane

sector. In this respect, the possibility of sending Paraguayan rural technicians who are specialists in sugarcane to Cuba is now being discussed so that our country's rural producers can improve their crops.

The governor added that during the conversation the Cuban parliamentarian had indicated that the help between the two countries will be strengthened through the exchange of projects and experience, and this will help, through the implementation of his experience in the agricultural sector, to improve the quality of production in general.

He also explained that there is nothing to indicate that the Cubans are interested in investing in the department. This is so because the political conditions in our country do not help to engender confidence abroad and thus attract investment.

Caceres indicated that they also discussed the health sector and he said that Samora Correa "showed interest in getting to know the health situation in our department. In this respect, Samora Correa said that they are willing to give conferences that will help in improving the attention given by the sanitary posts."

Caceres recalled that the departmental government has a budget of 1.5 billion guaranies, and that the health, education, public works, and agricultural sectors will be given priority.

In conclusion, Caceres said that the departmental government will contract with a professional technician in agriculture to work together with the Agriculture Ministry's technicians in order to intensify agricultural diversification in the department.

Five Tonnes of Cocaine 'Presumably' Hidden in Chaco

PY1107144494 Asuncion ABC COLOR in Spanish 7 Jul 94 p 103

[Text] A cargo of 5 metric tons of cocaine, the other part of the 7 metric tons that was seized a month ago in the Brazilian city of Palmas, is presumably hidden somewhere in the Paraguayan Chaco. The Narcotics Department of the National Police has opened its own investigation—in addition to the one being carried out by the National Narcotics Directorate (Dinar)—following reports that drug money is being laundered in Paraguay.

Those in charge of the investigation have indicated that the 5 metric tons of cocaine is hidden in a warehouse somewhere in the Chaco, on the border with Brazil.

This is presumably the remains of the 7 tons seized on 5 June in the village of Guarai, located 220 km from Palmas, capital of the Brazilian state of Tocantins.

During that operation the Brazilian Federal Police seized the largest drug consignment ever made—worth $150 million—in the neighboring country.

Brazilian police reports indicate that it came from Colombia. The Paraguayan police believe it passed through Paraguay and that it was stored for some days in the Paraguayan Chaco.

The 7 metric tons were then taken to Brazil before the final leg to the United States, but the Brazilian police intervened.

Notwithstanding, 5 metric tons presumably remained in Paraguay, specifically in the Chaco, from where it is being taken to Brazil in small quantities, according to the reports.

It is reported that women are contracted as "mules" to take it by air to Concepcion, Paraguay, where they board another small plane for Brazil.

The sources said the operation involves small quantities, not more than 10 kg at a time, so as not to call attention.

The investigation being carried out by the National Police is independent of the investigation into money laundering in Ciudad del Este, Paraguay, which is being carried out by Dinar.

That report indicates that the Cali cartel uses bank accounts in New York, Ciudad del Este, and Brazilian cities to transfer money and invest it in the Brazilian drug trafficking market, and to store and export drugs. This obliged Dinar to begin an investigation. The lack of legislation regarding money laundering has prevented antinarcotic agents from carrying out an effective task.

Peru

Interior Minister Denies Pacification Accord With SL

PY0807163994 Lima EL PERUANO in Spanish 28 Jun 94 p A3

[Text] Interior Minister Juan Briones Davila said yesterday that the success of the government pacification process nationwide is based on ethical and moral principles which have been recognized by the entire country.

Briones Davila thus categorically denied all speculation by an opposition group which contends that government officials and some former Shining Path [SL] leaders have reached an agreement to combat genocidal terrorism.

He said: "These conjectures come from people who are unfamiliar with the problem or who are simply trying to attract attention. The pacification process is based on established laws and ethical and moral principles which have allowed us to pacify the country."

Briones Davila added that former SL member Luis Alberto Arana Franco was released in compliance with the antiterrorism law, and the matter cannot be questioned.

He said: "His release is in compliance with the law and on this basis his release is legal. I believe there was a breach of confidentiality and Arana Franco's integrity has been jeopardized."

Asked about the extent of the information that Arana Franco provided toward SL leader Abimael Guzman's arrest, Briones Davila said his information led to this important achievement. He added that his was not the only source because the information he supplied was compared with information Dincote [National Counterterrorism Directorate] obtained some time ago.

He said: "There are those who seek to downplay Dincote's role. What President Fujimori said when he referred to the issue is that Arana Franco helped Dincote in its task."

Finally, Briones Davila stated that the motion raised by an opposition group in the CCD [Democratic Constituent Congress], summoning him to the legislature to explain Arana Franco's release, violates his jurisdiction because it is the duty of the judicial branch to explain the release of the former SL member.

Analyst Discloses Points of SL Negotiations

PY0907034994 Lima LA REPUBLICA in Spanish 29 Jun 94 p 12

[Carlos Tapia column: "Farewell to Arms: The Points of Negotiation"]

[Text] Based on a handwritten document circulating in the Miguel Castro Castro, Yanamayo, and Santa Monica prisons, the Shining Path members who were arrested are finding a way to communicate among themselves and transmit their opinions on the main points of the peace agreement.

It seems that this is how the Abimael Guzman faction is reportedly conducting its second congress. As is known, a general document called "For a Great Definition and Decision; To Fight for a Peace Agreement and Set the Basis for the Second Congress" was released by the National Intelligence Service [SIN] a few months ago outside the prisons.

It is a document—let's call it that—which explains the "historical reasons" whereby Abimael Guzman justified to his militant followers his request, submitted in March 1993, to begin talks with the government to bolster the peace agreement. But what was not revealed was the second part of the document, which specifically deals with the points that include this agreement.

We are now transcribing the text of some of the points under discussion so that our readers may understand the situation with regard to those who deny the existence of the negotiations:

"Introduction: - Point 2. Conclusion of the people's war does not mean capitulation or abandonment of the revolution, but to keep fighting under new conditions. Point 3: We are about to sign a peace agreement as a historical step of unavoidable necessity. Point 4: The parties to these rounds of talks are participants from both banks of the same river, as a common problem, and each one, from his position, participates to achieve a goal: a peace agreement."

"Basic proposals: Point 4. Freedom to all war prisoners by the parties (underlying our) and according to timetable, whether or not they are sentenced for reasons of the popular war under the current law; improvement of prison conditions, visits to relatives, defense, work, study, and recreation. This seeks to unite our contingent and relatives."

"Point 10. As peace is gradually restored, the law must be adjusted to ensure the strictest respect for fundamental rights, both the rights of the people and economic and essential rights."

"Point 11. General amnesty law for national reconciliation without winners or losers, without reprisals, revenge, persecutions, or personal restrictions against anyone, because it would only complicate the harsh task of fulfilling the peace agreement."

As can be seen, the situation is delicate. The one writing this column is not, in principle, against dialogue and negotiations and, if necessary, is not against a peace agreement that would humanize the internal armed conflict and basically guarantee a real peace, that is, a permanent peace.

But any peace agreement must be based on finding the truth and not covering up the crimes committed by the parties involved; it must be based on the affirmation of justice and not on impunity, in order to open a broad path for national reconciliation.

New National Election Board Constituted

94SM0390B Lima EL COMERCIO in Spanish 16 Jun 94 p A2

[Text] **First Task Will Be To Standardize and Update Electoral Legislation**

The new president of the National Election Board (JNE), Ricardo Nugent Lopez Chavez, used just four words yesterday to summarize the official and very discreet transfer of power from his predecessor, Cesar Polack Romero: "It is very positive."

After a one-hour meeting at JNE headquarters, first in its boardroom and then in the president's office, the five election authorities, four of whom have not yet been sworn in, and the former president of the board had a cordial conversation.

During the meeting, President Ricardo Nugent himself stated, the documents explaining the condition in which the Election Board finds itself were turned over and final arrangements were made to swear in the four other members.

"This was a coordination meeting. They showed us what the mechanics of the job are," Nugent remarked.

Computer System Inspected

Although the president of the JNE acknowledged that he was not a computer expert, his first act was to check the status of the board's computer room.

Cesar Polack Romero, for his part, reported that he is turning over the JNE in excellent shape.

Romulo Munoz Arce, who already has electoral experience, coined the phrase "democratic transfer" to describe the act that preceded his remarks.

"The transfer was accomplished today. Now that President Nugent has been legally sworn in, we automatically have a new JNE president," he explained.

He commented that he and the other three members of the board were there as a gesture of friendship but not officially since they have not yet been sworn in.

"We have come here to converse a bit," he remarked after saying that he was pleased about his future job and that they had been told how the computer system worked during the referendum and that it would be inadequate for the upcoming election.

Cesar Polack also took advantage of the presence of all the members of the JNE to formally introduce them.

After the documents were handed over, they toured not only the computer room but the other facilities as well, meeting administrative staff and the chiefs of each area, including press and public relations.

As usual, the main room of the JNE was almost empty, except for four small armchairs that looked lost in the huge room.

Electoral Legislation

The consolidation and updating of electoral legislation is one of the first tasks that the members of the Election Board will have to undertake, inasmuch as they have until July to draft a single text based on Law 14250 and other existing laws.

Under the law passed by Congress, the JNE must issue the regulations governing its organization and functions within 30 calendar days of its installation.

National Election Board Head: Tally in 'Days'

94SM0390A Lima EL COMERCIO in Spanish 16 Jun 94 p A4

[Unattributed interview with National Election Board President Ricardo Nugent in Lima on 15 June: "Election Board Members Not Under Anyone's Command"]

[Text] Journalists' first encounter with Dr. Ricardo Nugent Lopez Chavez as the president of the new National Election Board (JNE) turned out to be somewhat rough-and-tumble owing to the number of reporters who covered his swearing in. Nonetheless, the question and answer session, amid pushing and shoving, was very interesting.

[EL COMERCIO] When are the other members of the JNE going to be sworn in?

[Nugent] Probably Friday.

[EL COMERCIO] And when does it officially start working?

[Nugent] That same day, but don't all ask me questions at once.

[EL COMERCIO] Dr. Nugent, what are you going to do first?

[Nugent] I have already said so in all the papers and the other mass media.

[EL COMERCIO] But what is your priority going to be?

[Nugent] I have already said so. I am not going to make any statements until the board is installed and we can exchange ideas to develop a work program. Then we can talk.

[EL COMERCIO] Will you take into account the idea of the previous JNE and the way in which previous elections were conducted?

[EL COMERCIO] That remains to be seen. We have some studying to do. I have only now been sworn in. I have to become fully acquainted with the problems, and then we can talk.

[EL COMERCIO] But how do you view the work that begins today?

[Nugent] Things look very good. I am optimistic that we can conduct a clean, crystal clear process, as befits a completely autonomous board. I would even like to point out that all of the mass media are telling us that we are representatives of the institutions that have appointed us. This is not true, because no article of the constitution empowers them to run elections and administer justice, in which case they could delegate functions. They are extremely respectable institutions, whose constitutional function is plainly and simply to choose the members of the JNE. In other words, we are not under anyone's command.

[EL COMERCIO] Will you accept the proposal to allow a technical representative to be present?

[Nugent] It should be accepted because it is reasonable and elementary. Besides, how is someone who does not know computers going to monitor a complex procedure?

[EL COMERCIO] What topics are you going to address at your first meeting?

[Nugent] We will see. We have not drawn up an agenda.

[EL COMERCIO] Will the JNE be open to international observers?

[Nugent] That is not up to the National Election Board, but if they come, they will be welcome.

[EL COMERCIO] What will your first step be?

[Nugent] I don't know. I cannot anticipate what step we will take. I would have to know in advance what the JNE is like.

[EL COMERCIO] What steps will you take to ascertain the election results as soon as possible?

[Nugent] That is going to be our fundamental concern, to make the results known in a matter of days, not two or three months, like before, though our geography and the lack of technical resources were to blame, not previous election boards.

[EL COMERCIO] How many days will it be before the results are known?

[Nugent] I don't know. You would have to ask the technical representative. I am not a computer expert.

[EL COMERCIO] Will you be talking to the government so that everything is budgeted for?

[Nugent] A budget has to be drafted and approved.

[EL COMERCIO] One person has already declared his candidacy for president of the republic. What would you ask of candidates in general?

[Nugent] To observe the elementary standards that apply to candidates. Steadiness and poise and, above all, a discussion of the programs that each plans to implement if he is elected to this high office.

[EL COMERCIO] What do you think about the possibility of presidential reelection?

[Nugent] Please, I am too old to give a naive answer to such a question.

[EL COMERCIO] What are you hoping for from this election, which has created such great expectations in the country?

[Nugent] I hope that it is clean, transparent, and effective in every way.

JNE Calls For General Elections in April 1995

PY0907021894 Lima EXPRESO in Spanish 26 Jun 94 p A8

[Text] National Electoral Board (JNE) chairman Ricardo Nugent Lopes-Chavez announced yesterday that the next general elections will be held on the second Sunday of April 1995.

He added that "within reasonable estimates" the elections will cost $50 million.

Nugent Lopes-Chavez categorically stated that the JNE rulings cannot be appealed and that this decision is backed by the Supreme Court.

In this regard, he added that in order to solve them as soon as possible, the JNE is giving expeditious treatment to all pending cases pertaining to the last municipal elections that have accumulated since January, when the previous JNE suspended its activities with the enforcement of the new Constitution.

In addition, Nugent Lopes-Chavez said that the JNE is considering the possibility of establishing a parallel vote counting system that will allow all political parties and movements to connect to the JNE computer network during the elections.

He said: "In so doing, all political parties participating in the elections may follow the election process in a clear and open manner."

Nugent also stated that the JNE commission entrusted with drafting the JNE regulations and organization which is headed by Manuel Catacora, is studying the possibilty of making amendments to the election process with the objective of avoiding delays in nullification requests on the final election results.

He added that in due time, the JNE will study the possibility of amending the regulation forbidding presidential candidates from making statements 48 hours prior to the elections and the disclosure of poll results 15 days prior to the holding of the elections.

Moreover, Nugent also said that the voting stations for temporary residents [mesas de transeuntes] will be eliminated and that prior to implementation of this decision, the JNE would grant maximum assistance to all citizens to register their change of address.

He said that the JNE's objective is not to have absenteeism in the 1995 elections and that for this reason, it has been established that electoral registries will operate on Saturdays and Sundays.

Nugent also reported that he will undertake the proper proceedings to request new JNE offices because the current JNE offices lack the minimum infrastructure for the proper development of its activities.

Paper Endorses Joint International Drug Enforcement Effort

PY0907014794 Lima EL COMERCIO in Spanish 28 Jun 94 p A2

[Editorial: "Drugs and Narco-Trafficking in Today's Peru"]

[Text] Recent ceremonies held to commemorate the fight against the illegal use of drugs and drug trafficking compel us to reflect on the magnitude of this phenomenon, which must be viewed as an ever-growing scourge, in Peru.

In fact, the report entitled "The Drug Problem in Peru, June 1994" published by the Information and Education Center To Prevent Drug Abuse (Cedro) is a useful guide.

In Peru, 92 percent of the people admit to having consumed alcohol at least once in their lifetime, and although the age bracket of first offenders ranges between 12 and 18 years, there are some who admit having started at age 5. Meanwhile, tobacco "comes is second in national consumption (66 percent)."

Regarding illegal drugs, the consumption of marijuana is predominant (7.8 percent). Cocaine paste consumption is second (5.6 percent); although not as prevalent, consumption of cocaine hydrochloride (2 percent) is, nevertheless, of concern.

What causes the most concern is that the age bracket of drug abuse is between 5 and 18. From the social point of view, the most affected are those in the so-called low social class or low-income bracket. From the cultural point of view, paradoxically, we find that the higher the education level, the higher the consumption level. According to the Cedro study, this shows "that superior education centers constitute a risk factor."

Another relevant factor shown by the Cedro document is that "a fourth of those polled (23.6 percent) tend to consume medicines (analgesics, cough syrups, sedatives, hypnotics, stimulants) without a medical prescription."

From the ecological point of view, it is estimated that there are 108,000 to 150,000 planted hectares of coca in Peru, and that in 1992, these plantantions yielded an estimated production of 4,000 metric tons of cocaine paste. According to the study conducted by Cedro, this has caused serious ecological damage because many chemical substances are thrown into Amazon waters, thus affecting the trophic chain and causing the disappearance of many hydrobiological resources. The same occurs with deforestation and the erosion of soils as a result of the use of land for coca production.

Regarding the demographic impact of drug trafficking in the Upper Huallaga region, which is the area most affected by drug trafficking, "from 60 to 70 percent of farmers in the area are directly in charge of handling their coca farms which are run at the family level."

The Cedro study encompasses other important drug trafficking issues such as geopolitics. In this regard, it is stated, for example, that "gradually encouraged by the disintegration process and the crisis ... the cocaine industry has multiplied its impact without the state being able to do much. Among others, cocaine industry-related issues currently define U.S.-Peruvian ties. Certain international organizations and the EC have followed the same pattern, although not with the same force."

Moreover, it must be noted that approximately 700,000 people earn their livelihood from the coca-related economy. Currently, there are reportedly approximately "14 companies involved in illegal drug trafficking activities. These are either in direct contact with the international market or working in conjunction with Colombian firms, through middlemen or conducting operations through a combination of both strategies."

Finally, the Cedro study evidences what is vastly known by the national and international public: "That the state has played a very incoherent role, which has fluctuated between a certain resignation regarding a phenomenon which has reduced the impact of an economic crisis and few foreign credits, and intensive but disorganized actions launched against producers instead of the drug trafficking circuit as such."

In view of all these facts, which give us a better general idea of the actual situation with regard to drug use and drug trafficking in Peru, we can deduce the following:

First: The problem cannot be attacked from a police or repressive point of view; a vast campaign must also be undertaken to counterbalance the weakening of values and principles. The participation of the government and of private business, starting at the family level, in this area is mandatory.

Second: Preventive work must also be undertaken at both the emotional and educational level to prevent youths and children from mistakenly believing that "the use of drugs is something normal."

Third: Drug enforcement and the substitution of coca farms must be undertaken in line with a carefully drafted program that does not seek partial but lasting and viable solutions taking into account both economic and social and technological aspects.

Fourth: This struggle encompasses a national and foreign effort because in view of the magnitude of drug trafficking, no single country will be able to combat it in an isolated manner. Furthermore, it is not possible to pressure only producing countries if consumer markets do not make an effort to control illegal drug trafficking.

Paper on Ibero-American Unity, Pacific Opportunities

94SM0386A Lima EL COMERCIO in Spanish 16 Jun 94 p A2

[Editorial: "In Search of Ibero-American Unity"]

[Text] The fourth summit of Ibero-American chief executives, which has just concluded in Cartagena de Indias, Colombia, has demonstrated, once again, that the group has only recently begun forging unity because, although it has a common historical identity, it is still marked by pronounced differences, not only politically but also in terms of socioeconomic systems.

For one thing, it was upsetting to hear the Peruvian president contend that "each people is entitled to seek its own way of bringing about democracy, without outside

pressures of any kind. This means that each people must build its democracy in light of its own realities."

From a theoretical and even legalistic standpoint, such a statement may sound innocuous. The larger problem, however, is that such theorizing could be taken as a justification for the self-coup d'etat of 5 April 1992 and also as an odd sort of support for the communist dictatorship in Cuba.

We must all obviously agree that foreign meddling in the internal affairs of a nation is inadmissible. But this principle of International Law must be understood as something very different from the natural interaction of the international system when it pursues objectives that are not only noble but humanitarian as well, such as preventing a tyrannical regime such as Castro's from perpetuating itself in power while impoverishing and repressing millions of people.

For this same reason, opposition to international efforts to restore democracy in Haiti or to make respect for human rights a reality instead of just rhetoric is incomprehensible as well.

Meanwhile, proposals such as the one that the Colombian president put forth about building a Free Market from Alaska to Patagonia as of the year 2000 are promising, particularly as it bolsters the existing Free Trade Agreement between Mexico, the United States, and Canada. Once again, however, it must be noted that the real problem of Latin America's future integration involves not so much the design of economic and trade agreements as the forging of a homogeneous political will based on true democracy. True democracy, we must never forget, has intrinsic values that are universally applicable, inasmuch as there is no such thing as a halfway democracy or a democracy in which the State does not really respect the freedom of its citizens.

Moreover, as for the two countries outside the region, Spain and Portugal, it became obvious on this occasion that the political bridge and the bridge of economic cooperation between the two sides of the so-called Ibero-American Group are not yet finished.

Perhaps owing to the instability of the Socialist government in Spain and to Portugal's transition in the European Community, there has been very little tangible benefit from a bond that for historic reasons ought to be very solid.

The countries of the Americas of Spanish and Portuguese origin have neither sufficient intercommunication among themselves nor the much touted "natural doorway" to Europe. Our countries' concerns lie elsewhere at present: fine-tuning the mechanisms of subregional integration (for example, the Andean Pact, Mercosur, the Central American Market, and NAFTA itself) and breaking into huge potential markets such as the Pacific Rim.

So far, Europe does not seem to be all that interested in investing in the nations of the Americas, except in very specific fields such as telecommunications. And even the United States has begun to fade as the region's main financial agent, as the share of Asian capital here rises year after year.

This is the gap that we should try to narrow through our historic ties to Spain and Portugal. Nevertheless, statements of accord notwithstanding, neither this summit of Ibero-American chief executives nor the three previous ones have made any substantive gains in this regard.

One could not expect, of course, to achieve full harmonization among our countries in such a relatively short time. Much less could one expect to establish a sort of cartel or common front for coordinated action vis-a-vis the world's major powers. It is precisely this search that lends real value to the annual meeting of the 21 chiefs of state and heads of government, who gathered this time in Colombia.

We must remain mindful, however, of what was said at the beginning of this editorial. As long as political systems do not converge around the elementary principle that the goal of the Nation-State is to achieve democracy, without qualifying adjectives, the impression that has persisted at Cartagena de Indias will not be dispelled: that of a group of chief executives who issue consensus documents to preserve an understandable (but perhaps useless) image of unity.

Uruguay

Various Sectors View Mercosur Pros, Cons

PY0907003294 Montevideo BRECHA in Spanish 1 Jul 94 p 2

[Text] In just 48 hours, four antagonistic positions have demonstrated that the Treaty of Asuncion [Common Market of the South—Mercosur] is an irritating topic and have also highlighted the fact that the country is sluggish where the Mercosur is concerned. President Luis Alberto Lacalle, for example, has challenged the opposition: "If it is a question of separating Uruguay from the treaty, then say it." He also said, however, that the topic "must not be included in the election campaign." Former President Julio Maria Sanguinetti follows the same line of thought, although he told CX243 [Montevideo Radio El Tiempo] that "it is a pity we are only adhering to the Mercosur; we are not negotiating it."

The Chamber of Industries and the Interunion Workers Plenum-National Workers Convention [PIT-CNT] are two other voices expressing disagreement. The Chamber of Industries told the Senate's Industry Committee that it wants a modification of the schedules for the implementation of the common external tariff, and it revealed that 6 percent of the industrialists have become merchants. Labor representatives are maintaining that it will

be impossible to comply with the treaty's schedules. These representatives have indicated that a "totally mistaken" strategy has been used: The government believed that the liberalization of commerce would oblige businessmen to adapt and improve their competition. In addition to disagreeing with the government negotiators, they also disagree with the Chamber of Industries, which is implementing "a merely defensive policy."

Roundup of Economic Reports

PY0907012394

[Editorial Report] The following is a compilation of reports on economic activities monitored through 7 July.

The trade balance deficit for the first four months of the year totaled $235.5 million, almost double that of 1993 and three times as high as the 1992 figure for the same period. Exports grew 3.2 percent, totaling $534 million, but imports grew 21 percent during these four months, amounting to $770 million. The trade balance deficit thus now stands at $795 million, about 80 percent greater than it was in April 1993. During the first four months the trade balance deficit with Mercosur, Common Market of the South, countries totaled $172 million. (Montevideo EL OBSERVADOR ECONOMICO in Spanish 27 Jun 94 p 8)

According to Central Bank of Uruguay (BCU) records, released on 28 June, an $85.9 million surplus in the balance of payments current account was reported for the first quarter, following favorable tourism activities that contributed $260.6 million. Thus the balance of payments now has a $54.6 million surplus. During the January-March period a $565.2 million trade balance (transactions of goods) deficit was reported. (Montevideo BUSQUEDA in Spanish 30 Jun 94 p 25)

According to official data released on 2 July, the Consumer Price Index, IPC, in Uruguay grew 2.81 percent in May and the cumulative inflation rate during the first six months totaled 18 percent. The BCU reported that the IPC grew 42.6 percent during the past 12 months. Concerning June prices, education increased 10 percent, entertainment 5 percent, clothing and shoes 3.7 percent, medical care 3.6 percent, bus fares 0.5 percent, food and beverages 1.7 percent, and furniture and house care 2.5 percent. (Madrid EFE in Spanish 2057 GMT 2 Jul 94)

Venezuela

Caldera: Caracas Opposed to Haitian Invasion

PA0807210494 Madrid EFE in Spanish 1806 GMT 8 Jul 94

[Text] Caracas, 8 Jul (EFE)—Venezuelan President Rafael Caldera, expressing fear that Haiti may be subjected to a military invasion, has warned: "Venezuela is totally opposed to armed action and, of course, will not support an invasion."

Local newspapers today published Caldera's remarks, which were made during an informal conversation with reporters at Miraflores Palace, the government's headquarters. These remarks come at a time when tension over the Haitian political situation seems to be approaching a critical point in light of growing international efforts to achieve the restoration of democracy in Haiti.

Venezuela, Argentina, the United States, Canada, and France are members of the so-called "Friends of Haiti Group," which was created with the intention of achieving the return to power of ousted President Jean-Bertrand Aristide.

In a declaration released Thursday, this group of countries protested the manner in which the Haitian military authorities have hindered the work of human rights commissions sent to Port-au-Prince by the United Nations and the OAS. The five countries are holding the military responsible for the safety of the commission members, and they have reiterated their intention to step up efforts to topple the de facto regime and restore Aristide to power.

Caldera: Congress Must Not Abolish Guarantee Suspension

PA1007044394 Madrid EFE in Spanish 2245 GMT 9 Jul 94

[Text] Caracas, 9 Jul (EFE)—Venezuelan President Rafael Caldera today reiterated that Congress must not abolish the decree suspending certain constitutional guarantees, describing it as "a difficult decision most Venezuelans welcomed with satisfaction."

Caldera said he felt "compelled" by the country's grave economic and financial crisis to suspend certain constitutional guarantees of economic, individual, and political freedoms.

The president said "we cannot remain quiet. The people are anxiously awaiting" Congress' decision because it will have to ratify or abolish the decree suspending the guarantees issued by Caldera on 27 June.

This week the government urged Congress to ratify the measure because "the factors that made it necessary still exist." He warned that "abolishing the suspension of guarantees would prevent the executive branch from solving the grave economic problem within democratic institutions."

Opinions are divided in Congress. Some parties seem determined to vote against the government's decision, which could truly muddled relations between the executive and legislative branches.

Democratic Action (AD) and the Social Christian Party (COPEI), which make up the majority in both chambers, seem to be divided within their own parties.

Henry Ramos Allup, leader of the AD parliamentary faction and opponent of the presidential decree, said the government message was sent in a "threatening, dangerous, and inappropriate tone."

COPEI faction leader Deputy Gustavo Tarre similarly referred to the measure and described the government message as "rude" because "Congress has complete sovereignty to ratify or abolish a decree."

Congress President Eduardo Gomez was more moderate, but he agreed that the legislature is independent and has the power to decide if the suspension of guarantees is advisable or not.

Radical Cause, a trade-union party and the third largest force in Congress, expressed support for the decree. The Movement Toward Socialism (MAS) and Convergence parties also expressed support for the decree. These parties supported Caldera during the electoral campaign, and several of their leaders are working in the government.

A joint session of the Congress will discuss this matter on Tuesday, which will represent a real test for Caldera.

Local political circles fear that if the chambers reject the suspension of guarantees, Caldera will have to resort to the last and most drastic measure, one he has repeatedly rejected: an order to dissolve Congress. The "Calderazo," the name already given to the step Caldera could take if he followed the Peruvian "Fujimorazo," is being frequently used and has been demanded by several smaller political organizations, including the Revolutionary Bolivarian Movement headed by former coupist officer Hugo Chavez.

Control Measures on Currency Market Approved

PA1107024594 Paris AFP in Spanish 1715 GMT 10 Jul 94

[Text] Caracas, 10 Jul (AFP)—The Venezuelan Government has approved severe control measures on the currency exchange market and has prohibited the disclosure of information regarding U.S. dollar exchange rates on the black market. The measures are described in a decree, which goes into effect on 11 July, regulating a "single and legal parity" exchange rate.

The agreement signed between the Central Bank (BCV) and the Economy Ministry (the treasury) establishes that the bank will be the only authorized organization to purchase all U.S. dollars entering the country at a 169.57 bolivar exchange rate and sell at 170 bolivares.

The decree calls for the mandatory sale to the BCV of all foreign currency generated by oil industry sales transactions, which are handled through the government-owned Venezuelan Petroleum Corporation (PDVSA) and its affiliates, and by the privatization process, which the Venezuelan Investment Fund (FIV) is handling.

All foreign currency obtained by parties other than the state for public credit transactions made in foreign currency, goods, and service exports, or any other means will also be affected.

No one may hold deposits in foreign currency, except those authorized by the BCV Board of Directors. The Bank must approve accounts opened in foreign currencies before any contract requiring off-shore deposits can be signed.

Regarding penalties for violators, the decree sets fines between 100,000 and 1 million bolivares ($580 to $5,800 at the official exchange rate of 170 bolivars per U.S. dollar) for black market "violators or informers." The decree justifies the penalty by arguing such practices promote currency exchange transactions outside the only legal system established.

Attorney General Jesus Petit added the decree will complement a currency exchange crimes law, which will establish fines and prison terms for monetary crimes.

The day before and after overcoming serious differences within the government, a special Council of Ministers approved the set of severe rules that will govern the control system of the exchange market in Venezuela, which works under a quota system assigned by the technical exchange administration.

The sale of U.S. dollars to the public will be accomplished through the banking system, with a $3,000 ceiling per semester for travelers over 15 years of age and $1,500 for younger travelers. Business travelers will be allowed $250 per day for a period no less than 15 days.

Students will be allowed a total of $3,000 per semester, while family quotas were set at $300 per month.

Development Minister Cited on Regulated Products

PA1007153394 Caracas Union Radio Network in Spanish 2200 GMT 7 Jul 94

[Report by Vicente Bricenos from Miraflores Palace in Caracas from the "Union Radio News" newscast]

[Text] Development Minister Alberto Poletto has presented to President Rafael Caldera for his review the list of products to be regulated in accordance with the measures decreed by the executive branch.

Poletto said consumers will be told in two or three days the amount of articles and products, which number between 120 and 130, that will be protected by the presidential decree. He explained that, with the established exchange rate of 170 bolivares to the U.S. dollar, prices will be reduced to more reasonable levels compared to those of a month ago. Also, a price ceiling is being set, which may be negotiated in the future, provided the increase is not substantial.

The development minister said this decree also freezes imports and raw materials to 6 June levels to make prices

attractive for production, thereby preventing shortages. Among the products to be regulated are pasteurized powdered milk, different grades of yellow and white cheese, various types of wheat flour, oatmeal, pastes, various biscuits, refined sugar, cooking oil, mayonnaise, margarine, tomato sauce, vinegar, rice and corn cream, the 10 types of ground coffee, deviled ham, whole clean chicken, chicken breasts, chicken drumsticks, chicken wings, eggs, sardines in oil, hot pepper, rice, toilet paper, detergent, and soda pop. These are some of the products that will be controlled.

Minister Alberto Poletto did not rule out that the government may have to import some of these products in the event of a shortage.

[Begin Poletto recording] There should not be any shortages, because the prices we are setting are fair. If there are any shortages, then of course we will have to import. The last thing we will permit is the nation running short of any of these products. Shortages are not expected, and this is why I do not like mentioning this. Right now, we have an abundant supply of food products, which is very important and allows us to stress this point. Therefore, I do not expect any shortages whatsoever. If the need arises, then we will have no other option than import, and this will be valid. [end recording]

These Development Ministry resolutions will be maintained but adjusted according to inflationary levels; they also will be constantly reviewed. Poletto reiterated that the idea of price control is to fight speculation and to encourage businessmen, producers, and the people to take proper protective measures.

Announces Price Control Measures

PA1007182194 Caracas Union Radio Network in Spanish 0200 GMT 10 Jul 94

[From the "Union Radio News" newscast]

[Text] Development Minister Alberto Poletto has reported that prices on pasteurized milk and [word indistinct] coffee will be reduced substantially. The measures will be published on Sunday in a special edition of the Official Gazette, and on Monday and Tuesday a list will be published outlining the 40 categories and 150 products whose prices will be controlled. This comes after a Development Ministry technical commission undertook a cost study based on a fixed dollar exchange rate of 170 bolivars and consumer prices as of 15 June. Poletto said merchants will be allowed to remark the new prices over the current PVP [consumer sales price] to lower the prices, but not to increase them. Merchants will be allowed two days to do this.

An analysis and price-tracking commission was also named. This commission, comprising representatives from Procompetition, IDEC [Consumer Defense and Education Institute], Cordiplan [Coordinating and Planning Ministry], and Fomento [Development Ministry], will review the list in one month. If speculation continues, other products will be placed under the price control system. If any products are affected by a price increase in raw materials, their prices will be increased.

Poletto said pressure exerted by businessmen would be unacceptable.

[Begin Poletto recording] I know many businessmen will not agree with the prices. In this regard, I want to tell my merchant friends that the current government will not make decisions based on any sort of personal influence. If anyone objects to the prices that are announced, the commission being installed and coordinated by the Development Ministry—a commission that includes the MAC [Agriculture and Livestock Ministry], Cordiplan, IDEC, and other organizations—will only accept proposed price restructuring plans and requests for reconsiderations that are supported by evidence. The commission will study the requests, and there might be some sort of reconsideration, but this will not be resolved by telephone calls to the agriculture and livestock minister or to the development minister. [end recording]

On the other hand, Poletto also said the ministry commission is monitoring which stores are offering promotions and which are not. He emphasized that oddly enough the large supermarket chains have more special offers and that speculation is concentrated in the smaller businesses.

Convergence Leader Outlines Party Goals

94SM0375B Caracas EL DIARIO DE CARACAS in Spanish 5 Jun 94 pp 22-23

[Article by Nadia Perez]

[Text] With the launching of the presidential candidacy of Rafael Caldera, the nation's present chief executive, exactly one year ago at the Los Caracas seaside resort, two things became official: His separation from COPEI [Social Christian Party], and the birth of a new political party entity, better known as Convergencia [Convergence]. Convergence today celebrates its first anniversary with aspirations aimed at achieving a solid place in our national political life, but which, by insisting on establishing its leadership through and sheltered by the image of the president, runs the risk of bringing the curtain down on its act on the political scene with the expiration of the president's current constitutional term.

Convergence was born "through and for" Rafael Caldera's presidential candidacy, and also through the electoral need of a banner of its own in the multicolored balloting that characterized last December's electoral process.

The launching of Rafael Caldera's presidential candidacy was accompanied by the holding of Caldera-ism's first national assembly, which laid the foundation for the forming of Convergence, an electoral movement that for

many continues to be no more than a movement, notwithstanding its being registered with the Supreme Electoral Board as an official party.

Caldera defined it a year ago as "a movement against no one, but definitely against corruption, personal insecurity, poverty, and deception. A convergence in the service of the great ideals that gave Venezuelan democracy a reason for being, the democracy that calls out to us today to enable it to blossom, to stabilize, to survive."

The words of COPEI's former topmost leader reflect what for many signify the reasons that led the nation's present chief executive to take leave of the party he founded. They go well beyond what is unquestionably an ambitious reach for power. They indicate that he was able to interpret a reality that his younger opponents were unable to see: the collapse of the political parties, whose structures had totally lost their strength and vigor after a long period of party patronage, nourished by years of economic bonanza that had also come to an end.

That is how President Rafael Caldera strengthened his image as "the great savior of the country." And it is that image that has enabled him to skirt around a number of obstacles during his term of office, and to consolidate Convergence as a party. But it could also turn out to be his major obstacle. For, after Caldera, what will become of Convergence as a political party?

Caldera the Leader

"Our fundamental leader is Rafael Caldera," said Convergence's general national coordinator, Senator Juan Jose Caldera, last Friday, adding that, for the present, the party's fundamental concern is to ensure the president's success on the premise that in general his victory will also be the country's victory.

This definitely appears to be Convergence's basic motivation. Be it also said that despite the criticism voiced by one of Convergence's regional coordinators, Jose Amalio Graterol, to the effect that internal democracy within the organization is nonexistent, Convergence resolutely styles itself as a party that differs from the others, in that the decisions in the others are made by the traditional party brass.

Despite its intermediate objectives, Convergence aspires to taking root as a political party of major national importance for many years to come, asserts Juan Jose Caldera, who considers that the future of the movement will depend on the role it succeeds in playing. "The future is the child of the present. If we succeed in meeting the country's expectations of our movement as of now, and in contributing effectively to the success of this government, it will have projected itself into the future."

And this is another of the aspects that the experts cite repeatedly as one of the movement's options in its bid for survival, absent President Caldera's image, namely, consolidation of a party structure capable of elevating it to a higher standing than that of the traditional organizations.

Prodigal Son

Two years before leaving COPEI, President Rafael Caldera asserted that no one could conceive of being backed by a national consensus without the support of his party. His long experience in the political arena nevertheless led him to leave his party and take his chances, with the support of a number of political organizations that in other times had opposed him, but particularly with the help of a substantial number of Social Christians. The Social Christians decided to try their electoral luck together with the president, and turned their backs on a party that because of its populist approach and patronage practices was increasingly being compared with Democratic Action.

Hence, this is the position taken by Juan Jose Caldera. When asked about a rapprochement with COPEI, Juan Jose Caldera replies that Convergence has set out to rescue Social Christian authenticity from the party brass "who broke with him and distanced him from the party's rank and file," thus, in his view, changing the party's basic orientation.

Experts are therefore convinced that the present vagueness surrounding Convergence and COPEI can be dispelled if certain obstacles are overcome, especially that of the COPEI.

They are not discarding the possibility of a rapprochement if substantial changes take place in COPEI at its leadership levels. This would signify a Social Christian resurgence.

Dirty Linen In-House

Convergence, however, or at least its national coordinator, is demanding unconditional backing of the national chief executive's image. Referring to the recent ministerial shakeup and particularly the resignation of the minister for development and the economy, Asdrubal Baptista, he says that "when part of a team is being put together, all concerned must work in step with the effort being made." "Everyone must work together as a team, and the head of the cabinet is the president of the Republic, Rafael Caldera."

Noting that on various occasions he had observed Baptista "wheeling about on his own, talking as if he did not consider himself part of a team," the Convergence senator adds, "It is my view that, in a situation as difficult as the present one, the members of a governing team, especially in the economic area, must debate all their opinions and ideas intensively, but once a position has been defined, all must line up behind it, and back it solidly."

When one accepts a responsibility as part of a governing team one is not as free to express opinions as when

engaged in some other activity, says Caldera. In effect he is saying that the contradictions that have arisen within the president of the Republic's ministerial team may well be owing to "certain frivolities and indiscretions" that he feels he has observed. "One is not there to express personal opinions, but rather to convey the government's decisions to public opinion. I believe that one who occupies a high position in the government must realize that talk is silver, and silence is gold."

Regarding Abdon Vivas Teran's exit from the Venezuela Investments Fund, Caldera denies the versions that repeatedly attribute it to a conflict between him and Vivas Teran.

He does not deny the existence of differences with Vivas Teran, but he asserts that Vivas Teran's departure from the government stemmed from his desire to speed up the privatization process, whereas, "for one reason or another, difficulties arose that prevented things from proceeding as well as they might otherwise have."

Constitutional Reform

In Juan Jose Caldera's view, the institutional changes the country needs at this time can be fully brought about through a Constitutional reform, and for this reason Caldera has taken a firm stand against the convoking of a national constitutional assembly. On the contrary, he deems it essential to include provision for the referendum process in all its forms in the new Constitutional wording.

Caldera recognizes that a reform of the Constitution will not be the cure of all the country's problems. But he contends that a reform is indispensable in order to improve the country's democratic system and make it more participatory.

In addition to the referendum, Caldera supports the inclusion of a mechanism such as the High Commission of Justice, that would enable the organized collectivity to remove any judge from office, at any given moment, whatever his or her standing or level within the judiciary, should his or her actions be considered prejudicial to the interest of the people as a body.

"It is not aimed at placing a sword of Damocles at the throat of every public official," says Caldera, pointing out that the Constitutional reform bill drafted by the bicameral commission that was headed by the nation's present chief executive includes a number of indispensable requisites that must be met to enable revocation of a mandate.

Caldera seems nevertheless to doubt the existence of a real political will to effect a Constitutional reform. "It receives lip service but as yet no action," he says, and he concludes that a reform lacking provision for repeal by referendum has little chance of enactment.

Relations With IMF

Senator Juan Jose Caldera points out with unmistakable clarity that President Caldera's government "has never favored breaking off relations with the International Monetary Fund [IMF]." He further asserts that he has noted a change within the IMF "as a result of the terrible effects its recommended policies have produced in the Latin American countries."

"It has never been a question of Venezuela leaving the IMF. What President Caldera will not do is sacrifice the Venezuelan people at the altar of economic indicators. That would go counter to the very essence of what has been his line of conduct throughout his many years of activity."

Court Investigation of CAVIM Case Begins

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[Article by Luis Alonso Lugo]

[Text] Army Colonel Gilberto Rivero Perez, magistrate of the Military Tribunal, has been appointed the investigating judge in the inquiry relative to alleged irregularities in CAVIM [Venezuelan Military Industries Company, Inc].

This appointment followed the conveying of President Rafael Caldera's order to the highest military court to institute judicial proceedings, based on "sufficient evidence of culpability relative to the committing of acts of a military criminal nature" in connection with the CAVIM case.

The order affects Army Major General Ismael Antonio Guzman, who was the president of the munitions company in 1990, and is retired from the military even though his class's normal retirement date is next June. He was also the Defense Ministry's director of finance in Army General Fernando Ochoa Antich's administration, and, until February of this year, chairman of the Joint Chiefs of Staff.

Colonels Omar Rodriguez Toledo and Virgilio Estanga Requena, who held administrative positions in CAVIM, are also now under investigation.

The investigation of Guzman was initiated last year by the Office of the General Inspectorate. Last week Army General Geronimo Salvatierra, the treasury inspector general of the FAN [National Armed Forces], requested a brief meeting with President Caldera to deliver to him a complete report on the alleged disappearance of 350 million bolivares belonging to the trust fund.

It was on this basis that the president issued the order that was conveyed to the defense minister, General Rafael Montero Revette and, in turn, to the president of the Military Tribunal, Army General Ubaldo Lopez

Barrios, who informed the tribunal in plenary session of the existence of the order to institute proceedings. This was followed by appointment of the investigating judge, who yesterday (Thursday) evening, issued the court order opening the judicial inquiry.

Arraignment on charges contained in the four-page accusatory instrument, and the summoning of witnesses, will begin today. The law imposes no time limits on proceedings of this nature.

Although the opening of the inquiry had not yet been entered into the daily record, unofficial comment indicated an intent to complete the various phases of the investigation with normal speed, notwithstanding that on Tuesday of next week the Supreme Court will be appointing the new members of the Military Tribunal. This will result in an interruption.

EL NACIONAL tried to contact General Guzman, but unofficial sources indicated that he was on vacation abroad.

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